

1154. By Mr. KOPP: Petition of Lions Club, of Washington, Iowa, expressing its gratification with the results reached by the special commission on narcotics in securing recognition of the principle that production of narcotics should be restricted to medical and scientific needs of the world; to the Committee on Foreign Affairs.

1155. By Mr. KVALE: Petition of members of the Colored Voters' League, St. Paul, Minn., urging enactment of the Dyer antilynching bill; to the Committee on the Judiciary.

1156. Also, petition of citizens of Osakis, Minn., in mass meeting assembled, unanimously urging immediate adoption of the adjusted compensation bill; to the Committee on Ways and Means.

1157. Also, petition of eighth annual meeting of the Red River Valley Livestock Association, unanimously urging the enactment into law of the Norbeck-Burtness livestock loan bill and of the McNary-Haugen bill; to the Committee on Agriculture.

1158. Also, petition of members of the Kiwanis Club of Morris, Minn., unanimously urging immediate reduction in taxes, to apply also to 1923 income-tax returns; to the Committee on Ways and Means.

1159. Also, petition of N. S. Nelson and other members of the Victor Hegge Post, No. 273, American Legion, Garvin, Minn., urging enactment of the adjusted compensation bill; to the Committee on Ways and Means.

1160. Also, petition of W. G. Workman and other members of the Game Protective Association, of Tracy, Minn., urging passage at this session of Congress of the public shooting ground game refuge bill; to the Committee on Agriculture.

1161. Also, petition of American Legion Auxiliary, Austin F. Hanscom Post, No. 167, urging passage of the adjusted compensation bill; to the Committee on Ways and Means.

1162. Also, petition of Parent-Teachers' Association, Atwater, Minn., favoring adherence of the United States to the international court; to the Committee on Foreign Affairs.

1163. By Mr. LEAVITT: Petition of Sam W. Teagarden, representing wheat farmers of Toole, Glacier, Pondera, Liberty, and Hill Counties, in Montana, urging repeal of the clause in the wheat tariff law that rebates to American millers all but inconsequential fraction of the 30 cents named therein; to the Committee on Agriculture.

1164. Also, petition of the Farmers' Educational and Co-operative Union, of Golden Valley County, Mont., urging passage of the McNary-Haugen export corporation bill; to the Committee on Agriculture.

1165. Also, petition of the Great Falls (Mont.) American Legion Post, J. M. Gault, commander, urging passage of an adjusted compensation measure; to the Committee on Ways and Means.

1166. By Mr. MAGEE of Pennsylvania: Petitions of Liberty Temple, No. 48; Safe Ten Per Cent Building & Loan Association; Association of Craft Employees, Pennsylvania Railroad; board of commissioners of Mount Lebanon Township; Martha Washington Club, No. 168, Advisory Council, Order of Independent Americans; Journeyman Horseshoers, No. 9; Sequilla Club; and Daughters of Pocahontas, No. 161, favoring increased compensation to postal employees; to the Committee on the Post Office and Post Roads.

1167. By Mr. NEWTON of Missouri: Petition of employees of the United States Engineer office, St. Louis, Mo., favoring an amendment to the act of May 22, 1920, which provides for lowering the age of retirement, increase in existing annuities, and for voluntary retirement after 30 years of service, etc.; to the Committee on the Civil Service.

1168. Also, petition of hunters, favoring passage of House bill 745, approved by the Secretary of Agriculture, which measure provides that the general taxpayer is not assessed; the entire cost is borne by the gunners, who will pay a license fee of \$1 per year for the creation of public shooting grounds and refuges and in order to insure the future of their sport; to the Committee on Agriculture.

1169. By Mr. TAGUE: Petition of the Epworth League of the First Methodist Episcopal Church of Boston, assembled in business session, favoring the adoption of a child-labor amendment to the Constitution of the United States; to the Committee on the Judiciary.

1170. Also, petition of Court Roma, No. 212, Foresters of America, protesting against enactment of Johnson Immigration bill; to the Committee on Immigration and Naturalization.

1171. Also, petition of the Ligurian Auxiliary, composed of 150 women citizens of Boston, of Italian ancestry, condemning the Johnson Immigration bill; to the Committee on Immigration and Naturalization.

1172. By Mr. VARE: Petition of the Philadelphia Association of Retail Druggists, asking for the passage of price maintenance

legislation; to the Committee on Interstate and Foreign Commerce.

1173. By Mr. YOUNG: Petitions of Arvid Johnson and 58 other citizens of Balfour and vicinity, N. Dak.; Gunder Breder-son and other citizens of Wellsburg, N. Dak.; 74 citizens of Mabel Township, Griggs County, N. Dak.; 16 citizens of Balfour and vicinity, N. Dak.; and Anton Beck and 20 other citizens of Maddock, N. Dak., urging the passage of the Norris-Sinclair bill; to the Committee on Agriculture.

1174. Also, petition of H. E. Fraser and 11 other rural carriers of Emmons County, N. Dak., urging the enactment of legislation for the relief of rural mail carriers; to the Committee on the Post Office and Post Roads.

1175. Also, petitions of J. Egerman and 22 other citizens of Jessie, N. Dak.; J. B. Koppenharr and 15 other citizens of Revere, N. Dak.; Martin Aas and 53 other citizens of New Rockford and vicinity, N. Dak.; and C. J. Wigdahl and 72 other citizens of Minnewaukan and vicinity, N. Dak., urging an increase in the duty on wheat from 30 to 60 cents per bushel, the repeal of the draw-back provision and milling-in-bond privilege of the Fordney-McCumber tariff act, also the enactment into law of the Wallace plan for the marketing of wheat; to the Committee on Ways and Means.

## SENATE.

TUESDAY, February 19, 1924.

(Legislative day of Saturday, February 16, 1924.)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

MESSAGE FROM THE HOUSE—ENROLLED BILL AND JOINT RESOLUTION SIGNED.

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the Speaker of the House had signed the following enrolled bill and joint resolution, and they were subsequently signed by the President pro tempore:

S. 2249. An act to extend for nine months the power of the War Finance Corporation to make advances under the provisions of the War Finance Corporation act, as amended, and for other purposes; and

S. J. Res. 71. Joint resolution directing the Secretary of the Interior to institute proceedings touching sections 18 and 36, township 30 south, range 23 east, Mount Diablo meridian.

### WAR CONTRACT FRAUD CASES.

Mr. KING. Mr. President, yesterday afternoon the Attorney General transmitted, pursuant to a resolution which I had offered and which had been reported from the Committee on the Judiciary, a report showing certain activities of the Department of Justice. Upon motion of the Senator from Ohio [Mr. WILLIS], it was directed that the report be printed as a Senate document. My attention has been called to some matters connected with the report which, in my judgment, indicate that perhaps that order was improvidently issued. My opinion is that the report ought to go to the Committee on the Judiciary, from which the resolution came, and that that committee should be charged with the duty of determining whether the report be printed. Therefore, I ask that the order issued be rescinded and that the report be referred to the Committee on the Judiciary.

Mr. WILLIS. Mr. President, it was at my instance that the order was entered for the printing of the document. I am frank to say that I had had no opportunity to examine it, nor have I yet had, but if it is the opinion of the Senator from Utah that the interests of the Government would be injured by making it public at this time I have no objection to a rescission of the order.

The PRESIDENT pro tempore. The Senator from Utah asks unanimous consent that the order for printing the report of the Department of Justice as a Senate document be rescinded and that the report be referred to the Committee on the Judiciary. Is there objection? The Chair hears none, and it is so ordered.

Mr. KING. May I make an observation? I do not say that the interests of the Government would be injured or jeopardized, but in view of certain information accompanying the report I think it is wise that it should be referred to a committee before the order to print is made.

### INTERIOR DEPARTMENT APPROPRIATIONS.

The PRESIDENT pro tempore. The unfinished business, House bill 5078, is before the Senate.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 5078) making appropriations for the Department of the Interior for the fiscal year ending June

30, 1925, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. HARRISON obtained the floor.

Mr. SMOOT. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Mississippi yield to the Senator from Utah?

Mr. HARRISON. I yield.

Mr. SMOOT. I ask unanimous consent that the formal reading of the bill be dispensed with and that the amendments of the committee be considered when they are reached in the reading.

Mr. OVERMAN. I suggest that the Senator do not make that request now, because I shall be compelled to object.

Mr. SMOOT. Then I withdraw the request for the present.

The PRESIDENT pro tempore. The Senator from Utah withdraws the request.

#### NOMINATION OF WALTER L. COHEN.

Mr. JONES of Washington. Mr. President, will the Senator from Mississippi yield just a moment to enable me to make a unanimous-consent request?

Mr. HARRISON. I yield for that purpose.

Mr. JONES of Washington. I ask unanimous consent that the injunction of secrecy be removed from the vote taken yesterday on the nomination of Walter L. Cohen, to be comptroller of customs at New Orleans, and that the vote be printed in the CONGRESSIONAL RECORD.

Mr. ROBINSON. I object.

The PRESIDENT pro tempore. The Senator from Arkansas objects.

#### CALL OF THE ROLL.

Mr. HEFLIN. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Mississippi yield to the Senator from Alabama?

Mr. HARRISON. I yield.

Mr. HEFLIN. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The principal legislative clerk called the roll, and the following Senators answered to their names:

Adams	Ernst	La Follette	Robinson
Ashurst	Ferris	Lenroot	Sheppard
Bayard	Fletcher	Lodge	Shields
Borah	Frazier	McKellar	Shipstead
Brandegee	George	McKinley	Shortridge
Brookhart	Gerry	McLean	Simmons
Broussard	Glass	McNary	Smith
Bruce	Gooding	Mayfield	Smoot
Bursum	Hale	Moses	Spencer
Cameron	Harrell	Neely	Stanley
Capper	Harris	Norbeck	Stephens
Caraway	Harrison	Norris	Swanson
Copeland	Hefflin	Oddie	Trammell
Couzens	Howell	Overman	Wadsworth
Cummins	Johnson, Minn.	Owen	Walsh, Mass.
Curtis	Jones, N. Mex.	Pepper	Warren
Dale	Jones, Wash.	Phipps	Watson
Dial	Kendrick	Pittman	Wheeler
Dill	Keyes	Ransdell	Willis
Edge	King	Reed, Mo.	
Edwards	Ladd	Reed, Pa.	

The PRESIDENT pro tempore. Eighty-two Senators have answered to their names. There is a quorum present. The Senator from Mississippi is entitled to the floor.

#### PRESIDENTIAL CAMPAIGN ISSUES.

Mr. HARRISON. Mr. President, during the consideration of the resolution looking to cancellation of the oil leases and the Senate resolution requesting that the President demand the immediate resignation of the Secretary of the Navy, I refrained from discussing either of the resolutions, due to a desire upon my part to see them adopted as quickly as possible and, too, because I realized that Senators on the committee which had made the investigation were thoroughly familiar with the facts and could discuss them much better than I could. I would not now discuss the Teapot Dome situation if it were not for certain matters that have come to my attention in the last few days.

I am quite sure that all fair-minded people will appreciate that Senators on this side of the Senate Chamber have acted in a nonpartisan way in presenting the matter to the country and in the discussion on the floor of the Senate. The Democratic members of the Committee on Public Lands and Surveys have hewn to the line, letting the chips fall where they may, but they have kept the issue before them constantly, and they have not played politics. Indeed, if we take the vote on the two nominations made by the President to assist in the prosecution of the cancellation of the leases and criminal prosecution as well—ex-Senator Pomerene and Mr. Roberts—the RECORD will show

that there has been no politics in the matter. Democrats as well as Republicans voted for the confirmation of the nominations.

We were delighted when the President in making his speech recently in New York City, referring to the matter, stated that he was not going to play politics, that he was going to hew to the line. Among other statements, the President in that speech said:

There will be immediate, adequate, unshrinking prosecution, criminal and civil, to punish the guilty and to protect every national interest. In this effort there will be no politics, no partisanship. It will be speedy; it will be just.

Mr. President, in view of all the assertions made by Republican leaders that there would be no politics in this matter, you can imagine my surprise when I read yesterday in the official organ of the Republican Party a series of articles designed to make this question partisan. As I proceed to read it, Senators will see that the official organ of the Republican Party, namely, the National Republican, seeks to defend the Secretary of the Navy and says nothing in condemnation of the late Secretary of the Interior. Indeed, it goes beyond that and tries to besmirch ex-Democratic Cabinet members who protected the naval reserves while they were in office.

At this point some one may doubt that the National Republican is the official organ of the Republican Party. Mr. President, three years ago there was an investigation made by a Senate committee into campaign expenditures and campaign propaganda. Under a very gruelling examination by the senior Senator from Missouri [Mr. REED] Mr. Lockwood admitted that he was not only secretary of the Republican national campaign committee but that he was one of the stockholders of the National Republican. He organized it, I believe, in the beginning. In that testimony, under questioning by the Senator from Missouri, Mr. Lockwood gave the names of the gentlemen who were the stockholders of the National Republican and stated that the ideas advanced in it were in keeping with the policies of the Republican Party.

In that testimony there is also a letter written by Mr. Hays, who was then the chairman of the Republican National Campaign Committee, and who admitted that the National Republican was the organ of the Republican Party. Circulation was advanced for this publication by payments made not only by the Republican National Campaign Committee but by the Republican State committees as well, and lists of names were often furnished to this publication by the State Republican campaign committees.

One of the largest stockholders in the National Republican, which I repeat is the official organ of that party, is John T. Adams, the present chairman of the National Republican Campaign Committee. Among the other large stockholders at that time were Mr. A. T. Hert, a good man, who was until the last two years, I believe, the national committeeman of the Republican Party from the State of Kentucky; Charles D. Hilles, who was until recently the Republican national committeeman from the State of New York; W. B. McKinley, whom we all know, the ex-chairman of the Republican Congressional Campaign Committee, a gentleman who only a few days ago voted against the Robinson resolution asking for the resignation of Edwin Denby; and George W. Fairchild, who served as a Republican Member of the House of Representatives for a number of years, and who is one of the Republican leaders of up-State New York; Mr. Hemenway, in his lifetime was also a large stockholder in this organization, and was one of the Republican leaders of the State of Indiana. Mr. Thompson—William Boyce Thompson, I believe—of New York fame, is the largest stockholder in this publication organization. Mr. Martin, a former national committeeman from the State of Virginia and Mr. Beck, who is a friend of Mr. Lockwood, the present secretary of the Republican National Campaign Committee, are also stockholders in this newspaper.

Another important person, who is one of the largest stockholders in the National Republican, is at present a member of the Cabinet—John W. Weeks—who was one of the leaders in the late campaign and is now Secretary of War.

Mr. President, in this record are found letters written by Mr. WILL WOOD, the Republican congressional campaign chairman, and by Will Hays, as well as by my good and distinguished friend, the senior Senator from Indiana [Mr. WATSON], all admitting that the National Republican is published and circulated for the purpose of enlightening the country upon the principles and policies of the Republican Party. If there is no question about that, I shall proceed to read from that newspaper and see whether or not this organ of the Republican

Party, that finds its place into thousands of homes throughout the United States, sent there by the Republican leaders, voices the same nonpartisan sentiments as those voiced by Republican leaders when they speak to mixed audiences and those voiced by the present President of the United States both in his statements and in his speech at New York. The first comment that I desire to read from this editorial—and it is the leading editorial in this organ and shows the manner in which they look at this whole episode, which has startled not only the Nation but the world—is this:

According to news dispatches from Oklahoma City there is a very strong suspicion being entertained among oil men that Mr. Sinclair and Mr. Doheny are hopeful of using the present investigation as a means of "getting out from under" unprofitable business contracts with the United States Government, if they did not actually inspire the investigation themselves with that end in view.

I see sitting before me the distinguished senior Senator from Wisconsin [Mr. LA FOLLETTE], who was one of the first to draw the attention of the country to this tragic incident. Was he inspired to help Mr. Doheny and Mr. Sinclair "to get out from under"? Was the distinguished Senator from Wyoming [Mr. KENDRICK], who voiced his views on the floor of the Senate, inspired by any such motive as that? Yet the official organ of the Republican Party, entering into the homes of Republicans throughout the country, would have the people so believe, and would seek to poison the minds of the people in various bailiwicks by proclaiming that Doheny and Sinclair in order to get out from under inspired this investigation.

The article goes further than that and says:

However that may be, it is not outside the realm of possibility that the United States Government may discover the wise policy not to proceed to the cancellation of the leases; but, on the contrary, to defend them and insist that the contracts which provide for them be carried out strictly to the letter by the companies with which the contracts were negotiated.

Here is the Republican official organ declaring that it may be advantageous to the Government that these leases shall be upheld and trying to create the impression in the minds of the American people that all we have done is to go for naught.

Let me go a little further into the statements of this remarkable journal. In its issue of February 16 it says:

The Democrats and the demagogues—

That is the way it starts out—

The Democrats and the demagogues of the United States Senate knew that they possessed no ground for the impeachment of the Secretary of the Navy, Mr. Denby. Senator WALSH of Montana, one of the most enthusiastic of the Teapot Dome Investigators until the oil began to smear up his own party, was one of the first to admit the futility of impeachment proceedings. So there was nothing left for them to do but attempt to stampede President Coolidge into following the line of least resistance, the "easiest way." In furtherance of this alternative, the Democrats and the demagogues fused their forces in the Senate and passed a resolution declaring it "the sense of the United States Senate"—

And so forth.

Who are these "demagogues" who are so styled by the official organ of the Republican Party? That article does not claim any Democrats to be demagogues, because it mentions "Democrats and demagogues," so I take it that those to whom the term "demagogue" is applied by that Republican organ are Republicans sitting on the other side of the aisle.

Mr. ASHURST. Mr. President, will the Senator yield?

Mr. HARRISON. I yield to the Senator from Arizona.

Mr. ASHURST. The Detroit Free Press, a very conservative and a very able journal, said the other day, in defining a demagogue, that he is a man who has no respect for a criminal million dollars.

Mr. HARRISON. Yes.

Now, Mr. President, in reading over the list of names of those who are called demagogues by the Republican organization, including John T. Adams, chairman of the Republican campaign committee, and George Lockwood, its secretary, and Secretary Weeks, and the other men who direct the policies of this organ, I find the name of the Senator from Iowa [Mr. BROOKHART]. I presume he is delighted to have the term "demagogue" applied to him, in view of the circumstances that surround this case.

I find the name of the Senator from Kansas [Mr. CAPPER], one of the men who is prominently mentioned by the Republicans throughout the country for the second place on the Republican ticket next November. He is hailed by this official organ as a "demagogue." If he should be nominated as the vice

presidential candidate, how are you going to respond to the statement of your mouthpiece, which applies the term "demagogue" to him?

I find the Senator from North Dakota [Mr. FRAZIER] in the list of so-called "demagogues." I also find the name of the Senator from Oklahoma [Mr. HARRELD], who has stood by the administration in the great State of Oklahoma throughout his legislative career here and would not even break with them when the administration was seeking to break with him in the making of appointments in that State. He is now slapped in the face by the Republican leaders who direct the affairs of the Republican Party and called a "demagogue."

The Senator from California [Mr. JOHNSON] is also on this list. Of course we can all understand why the Republican organization to-day, composed of reactionary Republicans, would call the Senator from California a "demagogue." I imagine, in view of the circumstances, that he considers it a badge of honor to be called a demagogue.

I find in this list the name of the Senator from Minnesota [Mr. JOHNSON]. Who would take him to be a "demagogue"? He takes it as an honor, indeed, when he lines up and tries to purify the Government by asking for the resignation of Denby. When he is called a "demagogue" they compliment him instead of criticizing him.

The Senator from North Dakota [Mr. LADD], one of the best men in this body, conscientious to the core, who tries to do what is right, who is progressive, is also called by this Republican organization that directs the affairs of the Republican Party a "demagogue."

Mr. REED of Pennsylvania. Mr. President, did the Senator say a "demigod" or a "demagogue"?

Mr. HARRISON. The Senator from Pennsylvania does not know the difference between the two. [Laughter.]

The name of the Senator from Wisconsin [Mr. LA FOLLETTE] is also included in this list. It is not the first time he has been styled a "demagogue" by the Republican organization, and the Senator, I imagine, takes it as quite complimentary to him to be referred to in that way by this organ.

The Senator from South Dakota [Mr. NORBECK] has stood by the Republican organization pretty well. He shows at times, however, progressive inclinations and leanings. Why should he be held up to the country as a demagogue?

The Senator from Minnesota [Mr. SHIPSTEAD], a man who has shown by his votes throughout that he is of the progressive mind, who votes conscientiously in this body, is branded by this organ as a demagogue.

If the Presiding Officer [the President pro tempore in the chair] had seen fit to follow his own inclinations, perhaps, and had voted for this resolution asking for Denby's resignation, he would have been styled a demagogue.

The Senator from Nebraska [Mr. NORRIS] is a man whom the Republicans will lean upon and look to for assistance in the coming election; and if he were not in the race they would not stand a remote chance of carrying Nebraska. They will applaud him in the coming campaign; they will speak of his fine qualities and his splendid ability and his progressive ideas; but when they talk about him in the country through their official organ, he is a demagogue.

I see in this list my friend from Oregon [Mr. McNARY], who comes up for reelection in Oregon this year, and whom the standpatters have tried for a long time to inveigle into their camp, because they recognize his splendid ability and his winning ways. When he sees fit to throw off the yoke and vote with the people to clarify things in this Government by asking for the resignation of Denby this Republican organization that will seek to reelect him in Oregon calls him a demagogue.

My friend over here from Washington [Mr. JONES] came very near being called a demagogue. He got right up to the brink, but he could not go across; and my friend from New Mexico [Mr. BURSUM] did not miss it by more than a cat's whisker. He almost fell into the category of a demagogue. The only difference between my friends from Washington and New Mexico and these other Republicans was that they did not have enough confidence in their President; they wanted to ignore him; and they wanted to seek Denby's resignation by demanding it straight from this Chamber, instead of doing the proper thing, the high, dignified thing of recognizing the fact that we have a President, although a good many people think we have not, and asking him to request the resignation of Denby. So I can not believe that the two Senators who sit before me, one from Washington and the other from New Mexico, have not very much on the so-called demagogues on their side of the Senate Chamber.

Now, let me proceed further to read from this remarkable editorial.

President Coolidge, however, demonstrated immediately that he is no coward.

He is no coward! He left some of you high and dry, however, did he not, yesterday? "Careful Cal," "Cautious Cal," who got you to stand with him against this alleged encroachment upon the Executive power, when the thing was put up to him after he had publicly declared he never would permit anyone to be sacrificed, "permitted" Denby to resign. Did he stand by you? There is not one of you who thinks that he stood by you. Ah, the courage that is spoken of in this editorial in this organ of the Republican Party!

President Coolidge, however, demonstrated immediately that he is no coward and that he can not be bulldozed nor bluffed into the commission of an injustice which the backers of the resolution could accomplish only through the President, and which they could not have accomplished by regular proceedings that would have permitted the victim of their sophistry and self-righteousness to have had his day in court.

Let us see what it says further about this whole episode:

The worst crime he, Mr. WALSH, as one of the chief investigators, had been able to fasten upon Mr. Denby was "stupidity"—

Says this organ—

and this, of course, was solely an opinion, and a quite prejudiced opinion on the part of the Montana Senator himself. \* \* \* This evidence is, nevertheless, about 95 per cent bunk.

They are trying to make the American people believe that after all the corruption that has been revealed in this investigation, 95 per cent of the testimony that was drawn from the witnesses is "bunk." Is there any Senator over there who now hears me who believes that 95 per cent of the testimony was "bunk"? If there is, let him rise and say so. No; you are as silent as the tomb; and yet here your official organ, which goes into 250,000 Republican homes in the country for the purpose of creating propaganda, says that all of this is "bunk" except 5 per cent.

If the crude evidence so far extracted from a vast field of competent and incompetent, relevant and irrelevant witnesses and documents were to be refined, it would prove the following.

Here is what this paper says it would prove. Now, let us see how they handle it. Do they handle it as the distinguished senior Senator from Nebraska [Mr. NORRIS] has handled it upon the floor of the Senate? Do they handle it as the distinguished senior Senator from Montana [Mr. WALSH] has handled it, and as others over there have handled it when they were forced to handle it? No; it says this: Now, here is what the whole thing reveals:

That certain oil leases were obtained from the Government through the Department of the Interior by the Sinclair oil interests \* \* \* and the Doheny oil interests; \* \* \* that these leases were negotiated by Albert B. Fall, while Mr. Fall was Secretary of the Interior; and that Mr. Fall obtained a "loan" of \$25,000 from Mr. Sinclair and also a "loan" of \$100,000 from Mr. Doheny under circumstances very strongly indicating that the "lenders" of the money had little or no expectation of obtaining payment on the personal and unsecured notes which he gave them.

Would any one reading that believe that there was any fraud in it—merely a loan of some money, and the other fellow borrowed it? Do they allege corruption? Do they allege fraud there? No; and yet every Senator on the other side of the aisle, indeed every Republican Member of the House at the other end of the Capitol, voted that "the circumstances indicated fraud," and that the whole transaction was "corruptly entered into," "in violation of the law" and "the principles of this Government." Indeed, Mr. President, this thought comes to me now: The President said that he would not permit anyone to be sacrificed until crime was proven. He held on to Denby. He did not permit him to resign. He was hailed as a courageous, as a cautious, as a careful President. He said that nothing had been shown against Denby, and in his statement of yesterday, accepting the resignation of Denby, he said he did it with regret, and that there was nothing against his honesty and his integrity; and yet listen to me, Senators: This joint resolution that you voted for said, in asking for a cancellation of these leases, that they were executed under circumstances indicating fraud and corruption, and that the contracts were entered into without authority on the part of the officers purporting to act in the execution of them, and that the leases and contract were made in defiance of the settled policy of the Government.

The President of the United States indorsed those sentiments and signed that joint resolution. He agreed to every utterance in it. He said by that action, when he attached his signature

to it, that he indorsed it. He did not have to do it. He could have vetoed the joint resolution. He could have allowed it to become the law without his signature; and yet it was presented to him on the 8th day of February, and he signed it immediately. You would not think that "Careful Cal," "Cautious Cal," would sign a paper that he did not read; that he did not believe in. He is not that kind of a man. He is "courageous"; he is "cautious"; he is "careful"; and yet when he signed that instrument asking for a cancellation of these leases he said by his signature that they were executed under circumstances indicating fraud and corruption in defiance of law.

Mr. EDGE. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Mississippi yield to the Senator from New Jersey?

Mr. HARRISON. I do.

Mr. EDGE. In all fairness, is the Senator from Mississippi entirely correct in that statement? Did not the President when he approved the joint resolution issue with the approval a statement in which he distinctly said that he had not approved the "whereases," which it was not necessary for him to do under the law; that he had simply approved the joint resolution and would not attempt to pass on the "whereases," which were a matter for the courts to decide? That is my impression. I saw that statement in the newspapers.

Mr. HARRISON. If the Senator thinks he can get away with that before his constituents in New Jersey, they are more ignorant than I think they are. I recall that the Senator when he voted for the Robinson resolution made a statement on the subject, and he may say to-day that he did not believe in the whereases, but he voted for it, and when he voted for it he subscribed to everything in that document.

Mr. EDGE. Mr. President, that is a very, very unfair statement, and the Senator from Mississippi knows it.

Mr. HARRISON. As to the intelligence of the Senator's constituents?

Mr. EDGE. As long as I have been brought into the matter—

Mr. HARRISON. I have the floor, Mr. President.

Mr. EDGE. Has the Senator yielded?

Mr. HARRISON. I want to get the Senator exactly right. Did he say that I had made an unfair statement?

Mr. EDGE. Yes.

Mr. HARRISON. In referring to his constituents?

Mr. EDGE. No; in referring to me in connection with the view my constituents might have, on which I am entirely prepared to stand before them. The Senator knows perfectly well, if he knows the history of the matter, that in voting for the joint resolution, so far as the Senator from New Jersey is concerned, he made a statement on this floor in which he said very distinctly—and it appears in the RECORD—that he did not subscribe to the "whereases"; that he was not prepared to subscribe to the "whereases"; that he did not know what the courts would decide as to the matter of legality or illegality; and that he voted for the joint resolution because he wanted the legality to be ascertained.

I took the floor, not in my own defense but to correct the Senator from Mississippi in his statement with regard to the President of the United States. I am entirely ready to meet my constituents on my record, and I am sure the President of the United States is entirely ready to meet his. The President distinctly stated when he signed the joint resolution that the "whereases" were in no way a part of the joint resolution so far as his signature was concerned. I ask the Senator from Mississippi if that is not legally correct?

Mr. HARRISON. I do not remember any such statement. I do not care whether he made any such statement or not. He could have allowed this to become a law without his signature. If it did not represent his views, he could have followed that course. He could have vetoed it, and the Congress by a two-thirds vote could have passed it over his veto.

Mr. EDGE. It seems to me the Senator from Mississippi should care whether he made that statement or not before the Senator states on the floor of the Senate, without qualification, that the President of the United States approved those whereases, when he did not.

Mr. HARRISON. By his signature he approved of the whereases, and I do not care what the Senator said on the floor; when he voted for this resolution he approved of the whereases. The Senator never made any motion to strike out the whereases.

Mr. EDGE. The Senator from New Jersey voted for two or three motions to strike out clauses of the whereases. Where a resolution consists of two distinct parts, one a lot of whereases that may or may not be true, and the other a definite commitment of the Senate when a Senator distinctly states that he

does not stand for the whereases, that he only votes for the resolution in order to accomplish the main object, for the Senator from Mississippi to say that in voting for the resolution after that statement a Senator subscribes to the whereases is simply to try to change the meaning of the English language, and the Senator knows it.

Mr. HARRISON. The Senator is all wrong in his proposition. I am not talking of the Robinson resolution now. The Robinson resolution had the whereases in it, and it had the resolving clause in it, and the President may have made a statement to the press, to the country, and said he did not subscribe to the whereases; but what I am reading from is what is embodied in the Walsh substitute, for which the Senator voted, to which he offered no amendment, to which no motion to strike out the whereases was offered on the other side, to which no objection was raised, but which was voted for unanimously by the Members of the Senate.

Mr. EDGE. The difference between the Senator and—

Mr. HARRISON. Wait just a moment. The Senator will admit I am right now, will he not?

Mr. EDGE. When the Senator yields the floor I will be very glad to answer his question.

Mr. HARRISON. Let me finish. So the Senator subscribed to that Walsh substitute, which carried in it the statement that these leases were executed under circumstances indicating fraud and corruption and indicating that the contracts were entered into without authority on the part of the officers and in violation—indeed, in defiance—of the laws, and that such leases and contracts were made in violation of the settled policy of the Government, and when the President of the United States attached his signature to it, whether he did or did not give a statement to the press touching any whereases, he subscribed to it, and the Senator did the same thing by his vote and action upon the floor of the Senate.

Mr. EDGE. The Senator from Mississippi is absolutely mistaken. The resolution which went to the President of the United States was the resolution I have discussed here, which instructed the President, or directed the President, to employ counsel to carry these cases through the courts to their final conclusion. That resolution contained the whereases. Those whereases, as I have already announced, I would not vote for excepting in that compulsory situation which we could not escape, and which was explained, I am sure, to the satisfaction of everyone who wants to understand a clear explanation. The President of the United States, dealing with the same resolution, unless I am greatly mistaken—I read the statement in the public press, and I am quite sure it was correct—specifically stated that he did not agree with the whereases, and, as I believe he was permitted to do under the law, he did not approve of the whereases, but approved of the resolution, and made a public statement to that effect.

Mr. HARRISON. Does not the Senator think he is just as much mistaken about that as he was when he rose in the beginning and said that when he voted on the Walsh substitute resolution he did not subscribe to the whereases, and that he sought to amend it on the floor of the Senate, and that statement to that effect touching the whereases were made over there? All of that controversy was on the Robinson resolution, where the "whereas" clauses of the so-called Walsh substitute were incorporated as whereases of the Robinson resolution.

Mr. ADAMS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Mississippi yield to the Senator from Colorado?

Mr. HARRISON. I yield.

Mr. ADAMS. I wish to call to the attention of the Senator from Mississippi a statement in connection with that made by the chairman of the committee, which appears at page 1687 of the Record, where the chairman [Mr. LENROOT] stated:

Mr. President, not one amendment has been offered on this side of the aisle that touches in the least degree the question of fraud or corruption. This side of the aisle has accepted from the very beginning, and accepts now, the recitals in this joint resolution regarding fraud and corruption exactly as presented by the Senator from Montana.

Mr. EDGE. Mr. President, if I may close this colloquy, so far as my position is concerned, the difference between the Senator from Mississippi and the Senator from New Jersey in this technical matter, the matter he now attempts to confuse, is that I do not think it is necessary to take the floor every 10 minutes of the day and repeat or reiterate some fact or statement. We made all the possible effort we could to change those whereases by various amendments. Several Senators went further than that and made personal statements upon the floor. The President of the United States has done in effect what I have stated he did. If other resolutions came along later, and

the whereases were inserted again, it is purely a technical matter in which I am not interested. My position in this matter is perfectly clear and so is that of the President of the United States.

Mr. HARRELD. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Mississippi yield to the Senator from Oklahoma?

Mr. HARRISON. The Senator can come up to the mourners' bench if he desires.

Mr. HARRELD. May I ask a question?

Mr. HARRISON. Yes.

Mr. HARRELD. Before asking this question, I want to say that I am not asking it to embarrass the President or to include him in the class of those the Senator characterizes as demagogues.

Mr. HARRISON. I have not classed anybody as a demagogue. This Republican organ has done that. I am defending the so-called demagogues.

Mr. HARRELD. I want to ask this question: Since the President took pains to say in his statement yesterday that he had no new evidence of the guilt of Mr. Denby, yet accepted his resignation, does that not put him in the same class with us who voted for the Denby resolution? It is to his credit that he now belongs in the class of those of us who voted favorably on the joint resolution. If we are demagogues, does he not belong to the same class?

Mr. HARRISON. I think so, without question. But let us be not hard on "Careful Cal."

Mr. HARRELD. If he accepted the resignation with the same information before him that we had before us when we voted for the joint resolution, it seems to me that he is now where he ought to have been all the time—in the same class with us.

Mr. HARRISON. The Senator is exactly right, although I would not call the President a demagogue at all. He is careful and cautious and courageous, says this official organ; but the President of the United States ought to know as much about this controversy as any Senator here, excepting those on the committee making the investigation. The President of the United States presided here when the Senator from Wisconsin made a speech showing up this proposition, making the charges and expressing what he believed would be revealed from this investigation. The President sat in the chair of the Presiding Officer and heard the Senator from Wyoming make a speech and tell of this infamous episode, now almost a tragedy, in the history of this country. He sat in the Cabinet room and heard the discussion, if there was any discussion there. He knows about it. It has flared in his face, rung in his ears. He can not get away from it. Yet he was clinging onto Mr. Denby all the time, and expresses regret now at the retirement of the Secretary of the Navy.

I have no idea whom the President will name to succeed Mr. Denby. Perhaps Mr. Roosevelt, the present Assistant Secretary of the Navy, will be promoted to this place; but let me say this, sirs, Mr. Roosevelt is just as guilty as is the Secretary of the Navy.

One can not go to New York and aspire to the governorship of that State and have his friends proclaim that he is the Secretary of the Navy, to all intents and purposes; he can not carry Executive orders from one Cabinet member to the President of the United States, as he did do, and for some reason or other fail to deliver in the package the protest of Admiral Griffin, who protested against turning over these naval reserves to the Secretary of the Interior, and then be retained in office by the President, and have that action approved by the American people. If Denby gets out, Roosevelt should not remain. Both should have resigned long ago. Everyone connected with this damnable episode in this administration should be gotten rid of, and that at the earliest moment.

What will Mr. Roosevelt do? I read in the papers that the Assistant Secretary of the Navy left the White House after a conference yesterday and said to the newspaper men, "I am not resigning." I saw in the press yesterday a statement that he offered to resign, and that the President refused to accept the resignation. If he refused to accept the resignation of Roosevelt in the circumstances, why does he not refuse to accept the resignation of Denby in the circumstances? Why should he want to make fish of one and fowl of the other? The American people want this administration purged of everyone who is connected with the Teapot Dome episode.

Mr. President, this official organ goes further. Not satisfied with defending Denby and minimizing the predicament of Fall, it seeks to create the impression that everyone in the last Democratic administration was tainted with the Teapot Dome episode. You know it is untrue, and those who wrote this editorial knew it was false. Yet it flies to the country as

Republican propaganda. Let me read and see if that is not a fair statement:

Senator WALSH was after the scalp of the Secretary of the Navy with all the Democratic fervor he possesses. He was and is after the scalp of anybody he can smear with oil, so long as that anybody is a Republican. His fervor in this direction is exceeded only by his desire and effort to keep the smear off McAdoo, Daniels, Creel, Lane, Gregory, and various other distinguished personages of his own party.

I submit that is an unfair statement. The distinguished senior Senator from Montana [Mr. WALSH] has given the strength of his body, the force of his great intellect, to this work. No Senator in all history has been quite so successful as he in revealing facts which it looked at one time would be smothered. He has not tried to smear the name of a Republican because he was a Republican. He tried to open up this carbuncle, so to speak, and let the poison out, let the corruption be exposed, and he has done it. He has performed a good job. There are Republicans who in the committee have cooperated with him, who have not played politics on the proposition either; but it is unfair for this official Republican organ to say that the Senator from Montana has tried to protect Democrats and smear every Republican he could.

Ah, there is a great deal of difference between a faithless officeholder and a faithful public servant. Up to this good hour there is no blot upon the record of Daniels, of Gregory, of Lane, of McAdoo. They served this country for many years, and they served it well. Daniels has built for himself a monument in the manner in which he protected the naval oil reserves. They were after him. They were trying to bring influence on him, but he stood there like the rock of Gibraltar, preserving and protecting this oil for our ships and for future generations. Yet this Republican organ says, notwithstanding that wonderful record made by him, that Daniels is to be blamed for something, which they do not state.

Ah, my friends, you may go out and try to besmirch Gregory, erect your smoke screen, let that official organ say that these ex-Cabinet members of the Democratic Party are involved in this awful tragedy, but the people will not be fooled. They know that while those men were representing the people not a finger of suspicion pointed to them.

It is quite different with Fall or with the Secretary of the Navy. Denby was the Secretary of the Navy; Roosevelt was the Assistant Secretary. Fall was a member of this body when this matter was discussed. It was they who were involved in the resolution for which you have voted, saying that it was done corruptly and in circumstances that indicated fraud, and yet you would hold up in comparison the records of Daniels and Lane and Gregory and McAdoo by the side of those of Fall and Denby. When did the time come that men who have made good records as public servants, after they had given their all and their best in the public interest, if they saw fit to resign in order that they might go and make a living for their families, should be heralded as criminals and unworthy of the confidence of the American people?

Who steals my purse steals trash;

But he that filches from me my good name,  
Robs me of that which not enriches him,  
And makes me poor indeed.

Lane is gone, but I remember how high he was held in public esteem throughout the West, indeed throughout the country. It was he who tried to give to the soldiers of the country a land-settlement plan which, if it had been incorporated in the law at the time he suggested it, giving relief to those men, would have obviated the soldiers' adjusted compensation difficulty now upon our hands. It was he who administered the affairs of the country in the West in a progressive manner, clean and upright, winning the confidence of all the American people.

And Daniels? When he entered the service of the country as Secretary of the Navy he was criticized, perhaps, more than any man who ever entered that particular Cabinet position. Naval officers criticized him, men everywhere criticized him; but he went to work; he applied his knowledge and experience to the situation, and came through with an unexcelled record. After eight years in that office he went out, not only having preserved and protected the naval oil reserves of the country but high in the favor of naval officials everywhere—having built for himself a monument in the high esteem of the people.

Gregory? Gregory made a good Attorney General. Did anybody ever say that he was corrupt? Did any finger of suspicion ever point toward him? Indeed, your own careful Cal,

your own cautious Cal, thought that he made such a wonderful record in the investigation of various matters during his term in office and in the prosecution of trusts that he saw fit to choose him among all lawyers to take charge of a part of this prosecution. Would he have done that if Gregory had not made an acceptable Attorney General?

McAdoo? Ah, the distinguished Senator from New Hampshire [Mr. MOSES], who seems to have troubles back home, according to the newspapers this morning, but which I hope he will not have, because as between him and some other Republicans in New Hampshire, I am for "George" all the time, is a keen, shrewd Republican politician as well as a worthy statesman. He voiced it right in New York the other night. He paid McAdoo one of the greatest compliments that a Republican could pay any man. He warned his Republican friends against McAdoo. He said that McAdoo would run pretty well if he were nominated by the Democrats for President. Of course, he was mild, but that was a large admission for "George" to make. He spoke kindly of him, but at the same time I could see the crocodile tears flowing down "George's" cheeks because they had brought McAdoo into the Teapot Dome matter.

Ah, Mr. President, I read excerpts from the speech made by the distinguished Senator from Washington [Mr. JONES] away up in Maine. What did he say? He condemned the Teapot Dome proposition. The he went out and tried to dig into it the name of Gregory, the name of Lane, the name of McAdoo, and the names of others. That is the game. That is why your official organ, notwithstanding the fact that your President proclaims to the country that it is a nonpartisan proposition and that he will go on and fight and prosecute Republicans as well as Democrats, carries to the country the statement that Fall was all right, that Denby is all right, but that the four Democrats whom I have named were wrong, and that guilt should attach to them.

I hold no brief for McAdoo. In the San Francisco convention I fought against his nomination for standard bearer of the Democratic Party. I espoused the cause of another. But you reckon without your host, my friends, when you think you can fool the American people by erecting some smoke screen and endeavoring to cast suspicion upon former Democratic Cabinet members simply because they were employed in the practice of their profession when not in the service of their country by one who recent developments reveal is tainted in the Teapot Dome tragedy. You can sneer at, you can criticize these former Democratic Cabinet members, but there is not a man on the other side of the Chamber at whom I am now looking who would not be proud to have a record to hand down to his children such as Daniels and Lane and Gregory and McAdoo have.

Why, Mr. President, when these men relinquished office they took the country into their confidence. They had proven faithful to the public trust. They were able, honest public servants. McAdoo directed the whole railroad system of the country that carried supplies to the soldiers who were to do our fighting. He coordinated them when it was necessary. He directed them efficiently. And yet there has not been a voice raised saying there was any corruption that ever attached to the office of Director General of Railroads. Then, too, he had control of the great Federal reserve system of the country, of all the national banks, of all the farm-loan banks in the country, and of all the collections at the customhouses. All the income taxes came under his supervision, the coining of money, the making of currency. The lighthouses, the Public Health Service, and many other important agencies of the country came under his supervision. Yet everyone spoke of him as a great Secretary of the Treasury, who performed his duty ably as well as fearlessly. If he had been a corrupt man, if he had wanted to sell out the public interest, I think he could have done it, my friends, but he retired—why? I want to read here a letter that he sent to the President when he went out of office. Everybody read it at the time. It was known of all men. He was not going out to enter the employ of some Teapot Dome scandal. He had been in the Cabinet meetings with Daniels, and he stood by Daniels in his desire to preserve the naval oil reserves of the country. Here is the statement that was published in the press when he retired from his office as Secretary of the Treasury to go back into the practice of the law:

THE SECRETARY OF THE TREASURY,  
WASHINGTON, D. C., November 22.

DEAR MR. PRESIDENT: Now that an armistice has been signed and peace is assured, I feel at liberty to apprise you of my desire to return, as soon as possible, to private life.

I have been conscious for some time of the necessity for this step, but of course I could not consider it while the country was at war.

For almost six years I have worked incessantly under the pressure of great responsibilities. Their exactions have drawn heavily on my strength. The inadequate compensation allowed by law to Cabinet officers—as you know I receive no compensation as Director General of Railroads—and the very burdensome cost of living in Washington have so depleted my personal resources that I am obliged to reckon with the facts of the situation.

I do not wish to convey the impression that there is any actual impairment of my health, because that is not the fact. As a result of long overwork I need a reasonable period of genuine rest to replenish my energy. But more than this, I must, for the sake of my family, get back to private life to retrieve my personal fortune.

I can not secure the required rest nor the opportunity to look after my long-neglected private affairs unless I am relieved of my present responsibilities.

I am anxious to have my retirement effective with the least possible inconvenience to yourself and to the public service, but it would, I think, be wise to accept my resignation now as Secretary of the Treasury, to become effective upon the appointment and qualification of my successor, so that he may have the opportunity and advantage of participating promptly in the formulation of the policies that should govern the future work of the Treasury. I would suggest that my resignation as Director General of Railroads become effective January 1, 1919, or upon the appointment of my successor.

I hope you will understand, my dear Mr. President, that I would permit nothing but the most imperious demands to force my withdrawal from public life. Always I shall cherish as the greatest honor of my career the opportunity you have so generously given me to serve the country under your leadership in these epochal times.

Affectionately yours,

W. G. McAdoo.

The PRESIDENT,  
The White House.

Mr. President, I recall when I was a Member of the House of Representatives I served on a so-called leak investigation committee. The distinguished junior Senator from Wisconsin [Mr. LENROOT] was also a member of that investigation committee. Tom Lawson, of Boston, had brought charges that certain high officials were making money out of the stock market. We investigated that matter. It was a thorough investigation and the report was unanimously signed. They brought Pliny Fisk before the committee. They thought that perhaps he could tell something that might cast a suspicion on McAdoo. Fisk was a banker in New York. He was Mr. McAdoo's banker. I shall never forget the day that Pliny Fisk appeared before the committee. They asked the question what dealings he had had with McAdoo since he had become a member of the Cabinet as Secretary of the Treasury. He said none. He said, "The last I had anything to do with Mr. McAdoo was just after he had been nominated for the position of Secretary of the Treasury." It had reached the public ear. McAdoo sent for him and stated to him, "Pliny, here are all the securities that I have in the world, here is a list of my liabilities. I want you to take these securities and dispose of them. I want you to pay every debt that I owe. I want to go into the office of Secretary of the Treasury uninfluenced and unhampered and under obligations to no living man." That was the kind of man whose name they try to blacken in the Teapot Dome scandal.

Did he have the right to retire from that great office to retrieve his lost fortunes, as he said in his letter? Then it was that this employment came. When did it come to pass that men who have served the people, either in the Senate or in the Cabinet of the President of the United States, were enjoined in the future from retrieving their personal fortunes, following their usual vocation? Would you say the same thing about Elihu Root? He served in a Cabinet as Secretary of State, and when he retired he went into the practice of the law. He represented a great many interests, many interests that have been condemned on the floor of the Senate, but he had a right to represent them in his chosen profession. Former Senator Knox, when he retired from one of the Cabinet positions, went back into the practice of his profession. Did he not represent many large interests, many interests that a Senator perhaps would not represent in the practice while he served here? But he had a perfect right, in the discharge of his duties to his clients and in his chosen profession, to accept the work of those clients if he saw fit.

Did not Bonaparte, did not Wickersham, retire from the Cabinet and go into the practice of their profession? Did not Stimson and Wright and Dickinson do it? And so on down the line we could follow the whole list of names. The time has not yet come when men who retire from the public service to

practice their chosen profession must, because they have some client who it develops may be crooked, themselves be condemned.

Mr. President, let us ascertain all the facts in this case; let us go to the bottom of it. The incidents which have happened and become known are but bubbles on a smooth and mantling pool. Let us dredge deeper and locate the disturbance beneath; let us, in this investigation, find the corruption, if there is more of it. Do not let us stop. Let us rid this Government of every man at whom the finger of suspicion points; for the American people will not be satisfied with any other course. Do not let us erect smoke screens; do not let us befuddle the issue. Let us investigate the Teapot Dome and the California naval-reserve lease and every other phase of the matter, and let us do it courageously and promptly.

Mr. BROOKHART. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Mississippi yield to the Senator from Iowa?

Mr. HARRISON. I yield to the Senator.

Mr. BROOKHART. The Senator from Mississippi has named a long list of distinguished Republican lawyers who when they retired to private life represented big corporate interests. I should like to inquire if any of them ever became President of the United States?

Mr. HARRISON. Well, there was a great effort made to elect some of them President of the United States. Mr. Knox had quite a following, Elihu Root had quite a following, and Charles Evans Hughes, who now occupies the Secretaryship of State, when he was defeated for the Presidency, returned to New York and represented everybody from Newberry down to the Sugar Trust. Thus it has been all down the line.

Mr. BROOKHART. But, as I recollect, none of them became President of the United States.

Mr. HARRISON. I do not think the thing which defeated Charles Evans Hughes for President of the United States was the fact that he had practiced law, for Mr. Taft also had practiced law, and many of the Presidents previous to their election had practiced law. The thing that defeated Mr. Hughes is that which generally defeats Republicans—looseness of political morality. The American people just do not believe in and have no confidence in them; that is all. [Laughter.]

Mr. BROOKHART. Does not the Senator from Mississippi think that four Cabinet officers are too many for one man to employ after those Cabinet officers have retired from office?

Mr. HARRISON. I must say to the distinguished Senator that Doheny may have been very calculating; but I see nothing wrong in McAdoo's employment by Doheny as revealed in his testimony before the committee. I am quite sure if McAdoo had known what he now knows about Doheny he would never have accepted employment from him. But you must remember that at that time Doheny stood well. His interests were supposed to be clean. He was and had been for years highly respected throughout the West and the business world generally.

Mr. MOSES. That is the reason why Mr. McAdoo so promptly severed the connection, is it not?

Mr. HARRISON. I think Mr. McAdoo severed the connection because he did not want to be tied to anybody like Doheny when he found out the facts. My friend, the Senator from New Hampshire, may be an exception to the rule; he might desire to continue to be tied to such a client after the startling facts were disclosed.

Mr. MOSES. Let me ask the Senator a question. The Senator is a member of the bar, is he not?

Mr. HARRISON. I used to be.

Mr. MOSES. Can the Senator specify what kind of legal employment one might take warranting a salary of \$25,000 a year and have nobody know anything about it?

Mr. HARRISON. Oh, I think Mr. McAdoo might have been worth \$100,000 a year, while I do not think the Senator from New Hampshire would have been worth 5 cents.

Mr. MOSES. But I am not even a member of the bar.

Mr. HARRISON. I take that back. The Senator would be worth more than 5 cents to anybody.

Mr. MOSES. But, I repeat, I am not a member of the bar. I am talking about legal employment.

Mr. HARRISON. Well, I do not think \$25,000 a year is too big a fee for Mr. McAdoo, and the Senator does not think so, either; but I am not here to discuss that; I have said what I wanted to say about that, although if the Senator from New Hampshire has some other questions on the subject to ask me I shall endeavor to answer them.

Mr. MOSES. My understanding is that Mr. McAdoo protests that his employment by Mr. Doheny was wholly regular and wholly legitimate, and therefore he resigns it.

Mr. HARRISON. Does the Senator from New Hampshire think it was not wholly regular and wholly legitimate?

Mr. MOSES. I have not any idea at all about it.

Mr. HARRISON. Of course, the Senator has not any idea about it.

Mr. MOSES. But these things do occur to me: I can not understand what character of legal service could be rendered by any attorney warranting a large retainer and an annual salary of \$25,000 a year when those services were of such nature that nobody knew anything about them. If the employment was wholly legitimate and wholly within legal ethics, as the ex-Secretary of the Treasury has maintained in his letter, I can not understand why he should have become so indignant about it when the fact was made public; and if it was thoroughly legitimate, I can not understand why he should have so promptly resigned from it.

Mr. GLASS rose.

Mr. HARRISON. Well, Mr. President, I am sure that nothing that Mr. McAdoo might do would satisfy the Senator from New Hampshire; but, before I yield to the Senator from Virginia [Mr. GLASS], I wish to call the attention of the Senator from New Hampshire to the fact that, if I recall correctly, Mr. Knox once received a \$500,000 fee from Carnegie. That may have been a very reasonable fee; I do not know the facts. I further know that Will Hays resigned the Postmaster Generalship and the chairmanship of the Republican national campaign committee to go out and pose with some motion-picture stars and to direct the motion-picture industry at a salary of \$150,000 a year. Now, I yield to my friend from Virginia.

Mr. GLASS. Mr. President, it does not seem to me an extraordinary fact, and I venture to believe that it does not really seem to the Senator from New Hampshire an extraordinary fact, that an honest lawyer who has in good faith engaged his professional services to a man may instantly sever that connection when he finds that the man is not honest, that the man practically confesses to perjury, that his client practically confesses to bribery in a different cause.

Mr. MOSES. Well, Mr. President, I do not understand from the ex-Secretary's letter that he accused Mr. Doheny of perjury or that he accused Mr. Doheny of illegal practices. He asserted that his relations with him were correct.

Mr. GLASS. The Senator is merely multiplying words to confuse the issue. Of course, Mr. McAdoo did not accuse Doheny; it was not necessary that he should accuse him. Mr. Doheny stands as his own accuser. He practically confessed to perjury, to withholding the truth, to perverting the truth, and he practically confessed to bribery; so that there was no need of any accusation. It is a regrettable pretense—I regret to say so—for the Senator to undertake to make it appear as something extraordinary for a professional man who engages his services in good faith to decline further to represent a client of the type and character revealed by Doheny's own confession.

Mr. HARRISON. Mr. President, as I heard the ex-Secretary before the committee, he said that there had been a misstatement as to the amount received and the character of employment he had accepted.

Mr. GLASS. May I interrupt the Senator from Mississippi further for a moment?

Mr. HARRISON. I yield.

Mr. GLASS. We have heard a good deal of talk about the great fees paid to Mr. McAdoo. I have always ascribed to the Senator from New Hampshire a degree of frankness that few other men have disclosed, and he knows perfectly well that a fee of \$25,000 to an eminent lawyer in this day is not a large fee. It appeared by Mr. McAdoo's letter to the committee that Doheny's appraisal of the service to be rendered was very much greater than could be signified by \$25,000 or by \$150,000. Mr. McAdoo in his statement to the committee said that Mr. Doheny appraised the services of his firm so highly and so estimated his own interest in the cause in which he had employed Mr. McAdoo as that he signified his willingness to give ten times a hundred thousand dollars if successful in his mission; in short, to pay him a million dollars. That was Mr. Doheny's estimate of the value of the service which he employed Mr. McAdoo to render.

Mr. MOSES. Well, Mr. President, I have no knowledge of the service which Mr. Doheny employed Mr. McAdoo to render. I do not understand, however, that Mr. McAdoo's previous professional reputation was such as to warrant the payment to him of a fee of even \$25,000; but this we do know, Mr. President, from Mr. Doheny's statement, from the ex-Secretary's statement, and from the records of the court in this city at the

time of the Morse trial, that Mr. McAdoo was very active and very successful in accumulating large fees very soon after leaving the Treasury Department.

Mr. GLASS. Mr. President, that applies to other men who have been in the public service just as much as it does to Mr. McAdoo. How much respect would the Senator from New Hampshire have for a professional man who hawked his services for a pittance?

Mr. MOSES. Oh, Mr. President, I think the laborer is worthy of his hire; but when we consider the record of all the fees taken by the ex-Secretary, it can not possibly escape the minds of some, at least, that his employment in the Morse case was in violation of a statute, and the manner in which it was undertaken and the size of the fees compared to the work done were wholly disproportionate to any professional reputation which Mr. McAdoo had, and would not have been paid except for the political influence which he sought to exert.

Mr. HARRISON. Mr. President, I have certainly not convinced my friend from New Hampshire that we ought to deal with this one issue and not go off into side lines. Of course, nothing that Mr. McAdoo could do would be pleasing to the Senator from New Hampshire, but the Senator knows that oil is the open sesame of this administration. It has been the password from the beginning. With it you allowed men not only to enter the robber's cave, but participate in the plunder; you have erected pipe lines that have invaded the Mesopotamian oil fields; you shot wells down in Colombia and were drenched with oil in Mexico; everywhere this administration is tainted with oil. Over a year ago the present Secretary of State was referred to as the secretary of oil, so zealously had he looked after the oil interests in foreign lands. I suspect that the Senator from New Hampshire himself feels that this administration is so saturated with oil, oozing at every pore, that he should also be careful and not follow too rapidly "Careful Cal" in his aspirations for renomination.

Mr. MOSES. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Does the Senator from Mississippi yield to the Senator from New Hampshire?

Mr. HARRISON. I will yield in a moment, but I should like first to read from an article in this morning's Washington Post, which is as follows:

CONCORD, N. H.—

Mr. MOSES. That is a beautiful city.

Mr. HARRISON. It must be a beautiful city. I continue the reading:

February 18.—In a telegram to-day to former Gov. Robert P. Bass, William M. Butler, campaign manager for President Coolidge, declared it to be "very desirable" that New Hampshire send to the Republican National Convention a delegation pledged to Mr. Coolidge. The message was in reply to a letter from the former governor, in which the opinion of the administration was sought as to the pledging of delegates for this State.

Senator GEORGE H. MOSES is the only candidate for delegate at large who has not pledged himself to support the candidacy of Mr. Coolidge.

"The issue is now clear," Mr. Bass said to-night. "In view of the overwhelming Coolidge sentiment in this State, I feel that the voters should have an opportunity to cast their ballots for an entire delegation pledged to Coolidge. All our candidates are now pledged except Senator Moses, who has persistently refused to follow the line of public sentiment. If he persists in his determination to run as a free lance, I hope and expect that former Governor Spalding will file as a candidate. In that event I believe Mr. Spalding will be elected."

Now, I yield to the Senator.

Mr. MOSES. Mr. President, any contest which I may have in New Hampshire will be carried on in New Hampshire and not on the floor of the Senate.

Mr. HARRISON. I declared myself to be with the Senator; so he can not find fault with me for that.

Mr. MOSES. But the Senator has no vote there, I am sorry to say.

However, Mr. President, this debate this morning has served one useful purpose at any rate. We now know the candidate whose nomination the Senator from Mississippi will espouse at the New York convention, if the Senator from Mississippi shall be a delegate to that convention from his State, as I assume he will be. We now know from what he has said this morning that he intends to support the candidacy of Mr. McAdoo. If I happen to be a delegate from the State of New Hampshire to the Cleveland convention, I shall support the candidacy of President Coolidge, and in the event that President Coolidge shall be nominated, which I am sure he will be, and that Mr. McAdoo shall be nominated, of which I am very dubious, I am

perfectly willing to take the issue to the country, and, in the language of the Senator from Mississippi, let the people decide between "Cautious Cal," "Careful Cal," and the attorney for Mr. Doheny.

Mr. HARRISON. I am glad that the Senator has declared himself now.

Mr. MOSES. I did that long ago, Mr. President.

Mr. HARRISON. The Senator did in the East, but when he got out West they say he declared himself the other way.

Mr. MOSES. Oh, no; the Senator from Mississippi knows better than that.

Mr. HARRISON. He finds himself going and coming.

Mr. MOSES. The Senator from Mississippi knows better than that.

Mr. HARRISON. Yes; I know that; but I am just repeating what the newspapers say about the distinguished Senator.

Mr. MOSES. That is the trouble; the Senator puts altogether too much dependence upon what the papers say. I know that the papers are a very good source of information. I was a newspaper man myself for 20 years, and of course I know that the newspapers are generally accurate; but the trouble is that the Senator reads only the headlines.

Mr. HARRISON. The papers have improved since the Senator retired from the newspaper field.

Mr. President, of course I am not nominating anybody for President. This is no time and no place for that. We have so much material that it matters not whom we nominate over in New York; the man we nominate is going to be elected; but you can not cast aspersions upon honorable Democrats and get away with it. When men's records are as high and as clean as those of the four ex-Cabinet members whose names I have mentioned, and you try to divert the people's attention from the Teapot Dome scandal to them, I will ever be ready to occupy the time of the Senate for a while at least. I would do it for any man whose name is mentioned as the standard-bearer of the Democratic Party in the coming campaign. I am not dealing in personalities. This is a bigger question than presidential possibilities.

We might nominate the gentleman who sits here, the distinguished senior Senator from Alabama [Mr. UNDERWOOD].

Mr. MOSES. You might do worse, and probably will.

Mr. HARRISON. We might nominate this distinguished Senator. No finer legislator ever occupied a seat upon the floor of this Chamber; no man ever made a higher record, a better or more progressive record, in the other House than the distinguished senior Senator from Alabama. He is not only a gentleman of the highest character but a statesman of the highest order. If he should be nominated "Careful Cal" would not know that he was running.

We might go over here and take the distinguished junior Senator from Indiana [Mr. RALSTON], the man who the other day electrified the country by the splendid speech that he made for tax reduction and tax reform, a speech that scintillated with humanitarian ideals; a man who has cleaned up the Republicans in Indiana every time he has run. He would make a wonderful President. I am glad to see the distinguished senior Senator from Indiana [Mr. WATSON] nodding his acquiescence to that statement. If he should be nominated "Careful Cal" would not get started.

We might go over here and nominate the distinguished junior Senator from New York [Mr. COPELAND]. He would not only carry New York, but he would sweep the entire country, and "Cal" would hardly even carry New Hampshire, which Taft did carry, I believe, a few years ago.

Mr. SIMMONS. He did not carry New Hampshire.

Mr. SHEPPARD. Only Utah and Vermont.

Mr. HARRISON. Yes; just two. But it matters not whom we nominate; we are going to win. Your administration cozes too much oil.

Why, my friends, if a little mother in the District of Columbia with some dependent children had nothing in the world to eat and she should go into one of the stores here, and, in order to give something to her starving ones, she should steal a loaf of bread, one of your officers would pounce on her and put her in jail, and she would be convicted. Yet here is Albert B. Fall, who wraps himself in the mantle of immunity, refusing to testify and speeding away in a drawing room yonder to the Mexican border, going unlashd of punishment—free as the birds—when you have seen the corruption that stains his hands. When fraud hovers all around his head, when this country has been robbed of its naval oil reserves, he goes unwhipped of justice; not an affidavit made against him, no move started to prosecute him.

The other day the distinguished Senator from Michigan [Mr. COUZENS] was reading a lot of telegrams, and I believe

one of them said: "Remember the words of Lawrence." Well, if I recall the words of Lawrence, they were "Don't give up the ship, boys." Many of you heeded the admonition and you stood by it. It was a stormy occasion. You were frightened and trembled, but you stood by the old ship. Listen to me. Do not act foolish. You had better give up the ship. It is now upon a rock. She is floundering. Every minute you stay aboard you are endangering your political safety. Your captain deserted you yesterday. He is rowing for safety. It may be you have waited already too long, but let me suggest to you to throw on a life preserver, follow our leadership, and let us stop this running sore that infests this administration. If these men, whom the facts convict either as having corruptly performed their public service or as having willfully neglected their duty, are permitted to remain a part of this administration, all confidence in the Government will be shattered.

By such a course anarchy is stimulated. You are encouraging by such action the growth of Bolshevism in America. There is but one right course, and that is, without partisan rancor or partisan division, hold steadfast to the issue, driving from high places every officeholder who was a party to this indefensible fraud and cooperating in seeing that sure and quick punishment is inflicted on every guilty party.

#### SHIPPING BOARD AND EMERGENCY FLEET CORPORATION.

Mr. EDGE. Mr. President, I presume I should apologize for interrupting this political discussion to suggest something which I hope will be constructive; but I am rather inclined to the opinion that the taxpayers of the country, while entertained by the Senate discussions of this character, are a little more interested in saving taxes.

I ask the privilege of introducing out of order a bill designed to help do away with the deficit of some \$50,000,000 which we are now annually meeting in the operation and administration of a merchant marine.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Is there objection to the request of the Senator from New Jersey? The Chair hears none, and the bill will be received out of order.

Mr. EDGE. I regret that I do not feel at liberty to take time to discuss politics, because the Senator from Mississippi is always so interesting. He has just been making political prophecies for the coming election. It seems to me I recall very clearly that when he was the manager of the Cox campaign, three years ago, the newspapers were filled with the prophecies of the Senator from Mississippi, and the results of that election are now history.

Neither do I propose to discuss at all his defense of the leading candidate for the Democratic nomination for the Presidency, Mr. McAdoo. Mr. McAdoo undoubtedly will be given the opportunity to explain to the American people, just as the Senator from New Hampshire [Mr. MOSES] suggested, what service he rendered for a fee of \$150,000, or whatever the sum may have been. I do not propose to discuss that on the floor of the Senate, but I am sure an explanation will be interesting to the American people if the campaign should be waged between Mr. McAdoo and the present President of the United States.

I stated in taking the floor that I hope the introduction of this bill will open the way for something constructive, which, after all is said and done, I think is the first duty and responsibility of the Congress of the United States.

We have been operating a merchant marine since the close of the war, and have been making every effort under existing laws to administer it with a minimum loss to the taxpayers. As I have said before on the floor of the Senate, the average deficit at the present time is in the neighborhood of forty to fifty million dollars a year. I am convinced that much of this deficit is caused by the lack of business management because of the confusing and overlapping conditions invited under existing law.

When I assert that, I do not want in any way to criticize the constructive work of previous Congresses in endeavoring to furnish laws which would meet the situation; but the fact is that after four years' experience we must recognize that with a Shipping Board of seven members, all with equal power and an Emergency Fleet Corporation, headed by a president, there has resulted much confusion. The president of the Emergency Fleet Corporation is unable to have the complete control that an executive should have in operating a going business. I feel that it is incumbent upon Congress to define clearly the duties of the Shipping Board, maintaining the board in the position of a judicial, regulatory body, something like the Interstate Commerce Commission in its relationship to the railroads, continuing and confining its relationship to maritime responsibility, and then giving the president of the Emergency Fleet Corporation

the power necessary actually to administer a tremendous responsibility such as is encompassed by the merchant marine.

The bill I have introduced, therefore, provides for a separation of the responsibilities and functions of the president of the Fleet Corporation and those of the Shipping Board. It also provides for a subdivision of the corporation into subsidiary organizations. By that I mean that in the case of a fleet on the Pacific, running a line to the Philippines or to other points in the Pacific, if it should be considered advisable by the Government representatives, provision could be made for the organization of a separate corporation to take over that route. The same thing would be possible in the case of the coastwise trade or the Atlantic trade or the trade in any other part of the globe, the Government always retaining the controlling interest in the stock of the corporation until it is sold outright. By such subdivision we can interest men who are operators or shippers or producers, in individual lines, where we can not secure interest sufficient to generally help us administer successfully this great big organization which now attempts to cover all corners of the globe.

So I have introduced this bill, and I give notice now that I am going to ask the Committee on Commerce to appoint a subcommittee and have it given consideration, with the necessary hearings, with the thought that this Congress may be of some service in this most important matter.

The PRESIDING OFFICER. The Secretary will state the title of the bill that the Senator has introduced, for reference.

The bill (S. 2555) to segregate the judicial and administrative functions of the United States Shipping Board, reorganize the Emergency Fleet Corporation, decentralize the operation of the Government merchant fleet, and for other purposes, was read twice by its title and referred to the Committee on Commerce.

Mr. WALSH of Massachusetts. Mr. President, may I ask the Senator from New Jersey in what respect the bill he has just introduced differs from the one introduced by me?

Mr. EDGE. I have not carefully studied the bill introduced by the Senator from Massachusetts; but in a general way I have outlined what is proposed to be accomplished by this bill, and I might add to my statement the transfer to the Department of Commerce of certain scattered responsibilities. That is included also in this bill.

Mr. WALSH of Massachusetts. The Senator says the bill proposes to transfer certain powers to the Department of Commerce?

Mr. EDGE. Certain scattered responsibilities, but not the main responsibilities.

Mr. WALSH of Massachusetts. And the bill provides for a single-headed commission?

Mr. EDGE. No; it does not provide for a single-headed commission. It retains the present commission, but confines its work entirely to regulatory and judicial functions.

#### ADJUSTED COMPENSATION OF WORLD WAR VETERANS.

Mr. BRUCE. Mr. President, I would like to submit to the Senate some observations on the subject of the soldiers' bonus, which I intended to submit some days ago, but which I was prevented from submitting by matters of greater importance.

Mr. President, if I thought that all, or anything like all, of our World War service men were soliciting the soldiers' bonus, my faith in popular rule and its ability to resist class pressure, when organized on a large and imperious scale, would be destroyed. In other words, I would be driven to the conclusion that the tendency of the great body of our voters to break up into special classes, groups, or blocs at the expense of the general welfare, which is the most alarming feature of our political life at the present time, had reached its culmination; and that thenceforth government in the United States would be given over to the wretched business of setting off one selfish class interest against another.

But, so far from believing that all, or anything like all, of our World War service men favor the soldiers' bonus, I think that it still remains to be determined whether it is favored by even a majority of them. It is quite true that many of the organizations formed by them are backing it, and that the influence of these organizations is being actively, and in some instances even militantly, exerted to secure it; but, if I am correctly informed, only about one service man out of five is a member of any veteran association; and we need no better evidence than the proceedings of the recent San Francisco convention of the American Legion, and of some of its posts, to show that even in the bosom of that organization—the leading one established by the World War service men—there is a powerful sentiment bitterly hostile to the bonus as an affront to the self-respect of the service man and a menace to the material welfare of all our people, including the service man himself.

I, at any rate, find it hard to understand why the membership of the American Legion should have declined to such a noteworthy degree if it was not because a large portion of this membership had come to believe that the advocacy by the Legion of such a largess as the soldiers' bonus was certain fatally to impair its standing with the American people, and to render it a discredited instrument for the accomplishment of the objects for which it was originally created. Nor do I forget that a great number of service men have organized the Anti-Bonus League, with a membership which extends to every part of the United States, and that, animated by the purest impulses and guided by the soundest and most exalted principles, this league has proclaimed, as if with the breath of a clarion, its soul-stirring motto:

For the disabled—everything;  
For the able-bodied—nothing.

That this motto voices the sentiments of the majority of the Maryland service men at least I have the best reason to believe. Of course, I know that there is a numerous body of these men in Maryland who desire the bonus. Some of them made an effort at the session of the Maryland Legislature in 1920 to induce that body to grant a State bonus to Maryland service men, but without success; and at its session in 1922 they asserted enough force at least to obtain a referendum on the question, which, however, was annulled by a decision of the Maryland Court of Appeals. Occasionally in Maryland some service man still comes out in the letter columns of the Baltimore press and complains with more or less bitterness because he has received no bonus; but I am sure that I not only express my own individual opinion but reflect the general opinion of my constituency when I say that the majority of the Maryland service men regard the soldiers' bonus, both State and Federal, with emphatic disfavor.

I wish that I had the time to cite many of the most striking instances in which the opposition of Maryland service men to the Federal soldiers' bonus has been brought to my attention. One of the earliest was a paper signed by E. Ridgely Simpson, Eben J. Cross, and other young service men who reside in and around Baltimore, in which they repelled such a donative as an insult to the spirit of patriotic service that they carried into the World War. "The first to take up arms," these young men pithily affirm, "are the last to take up the bonus." Equally pointed is a letter that I received a few weeks ago from a service man who lives near my home in Baltimore County, Md. World War service men, he said, could not have both the bonus and the public respect; and he preferred the public respect. A later letter to me from another service man who lives in Baltimore is couched in these terms:

Do you realize that the American Legion is composed of only a very noisy minority of the ex-service men? I believe only about one ex-service man in six belongs to it, and even the Legion is not united in backing the bonus.

It is from the point of view of service men like these rather than from that of the ordinary civilian taxpayer that I wish to discuss the Federal soldiers' bonus. They feel as I believe that I would have felt if I had been young enough to be one of their comrades in the World War; and as I know that my two sons—all that I had to give to that war—do actually feel. They speak the language that the State of Maryland, the mother of battle hymns, spoke on this floor when the soldiers' bonus proposition was pending here at the last session of Congress; that the State of Virginia, with her splendid military traditions, and the State of Pennsylvania, with the heights of Gettysburg in her keeping, spoke on the same occasion; and that my lips would fain speak to-day.

For the disabled soldier—everything! Yes! I say everything except such generosity as partakes of the nature of wanton waste or administrative scandal. When one of our service men came back from the World War disabled by sickness or wounds, contracted or incurred in it, from competing on equal terms in the race of life with his fellow countrymen, he came back with an undeniable claim not only upon the gratitude but upon the pecuniary aid of the American people. His physical debility or wounds made him not a mere subject for sentimental applause and sympathy but a just charge upon the Public Treasury besides. How fully this fact was recognized by the Federal Government is evidenced by the bountiful provision that it has made for all such crippled service men. It has established hospitals and homes for their physical relief; it has awarded pecuniary compensation for their material sorrow; it has even devised a system of vocational training for their restoration to the active pursuits of life. During the fiscal year ending June 30, 1922, the total disbursements made by the Veterans' Bureau amounted to no less than \$479,607,604; dur-

ing the fiscal year ending June 30, 1923, its total disbursements amounted to \$470,677,892; and it is thought by the Treasury Department of the Government that the peak of such outlays has not yet been reached. Altogether, the cost since the war of caring for our disabled World War service men has been \$2,250,147,167; and it was believed by President Harding that in the end this cost might mount up in the aggregate to as much as \$25,000,000,000.

For the able-bodied soldier—nothing! Yes! I say nothing except what the true soldier, when he returns unscathed from the battle field to the ordinary pursuits of civil life, finds all-sufficing—the proud satisfaction of having successfully endured the most searching tests to which the human spirit can be subjected, the sense of duty faithfully performed, the heartfelt plaudits and thanks of his grateful people, the supreme joy of realizing that, partly through his efforts, his country, his own home, and the homes of his kindred, his friends, and his fellow countrymen have been preserved from ruin; or from national dishonor.

Only in such rewards as these can such a soldier ever find any real compensation for his services to this country; but they all lose their priceless significance when he declares them to be an inadequate return for his military exertions in her behalf and insists upon such a burdensome levy upon his fellow countrymen as the Federal soldiers' bonus. Broad as is the scope of the hard laws that govern our economic well-being, there are some things in human life that can not be expressed in terms of money without debasing them. Such is a man's or a woman's honor; such is human love in all its higher and nobler manifestations. The same Book that tells us "Greater love hath no man than this that a man lay down his life for his friends" tells us also "If a man would give all the substance of his house for love it would utterly be contemned." One of the sublimest utterances in that Book is the rebuke which Peter administered to Simon when the latter offered John and him money for the power to impart the Holy Spirit: "Thy money perish with thee, because thou hast thought that the gift of God may be purchased with money!" Is self-sacrifice to be counted out in money? Is even such a thing as generosity, chivalry, or courtesy to be computed in dollars and cents? If I rescue my friend, or even some stranger, from a situation of deadly peril, am I to find my compensation in his purse, or solely in the consciousness that I have saved the precious life of a human being and been true to the best instincts of my own nature?

A professor, with a small salary, once said to me, "If a million dollars were tendered to me on the condition that I would give up teaching, I would not give it up," and no one who knew him could doubt his sincerity. When Robert E. Lee, after the Civil War, with his limited income as a college president, was offered a princely salary to become the head of a great business enterprise, for which he had had no special training, he declined the offer. His fame was too glorious and sacred a thing to be used merely for advertising purposes; and I rejoice to see that the two representatives on this floor of my native State, Virginia, believe with me that the good conduct of even the humblest young Virginian soldier in the World War to whom that great chieftain bequeathed his deathless example is not to be measured in money. The fact is that it is only our grosser sentiments and appetites which can be reduced to pecuniary equivalents, and that, as we ascend in the scale of human thought and feeling, we find ourselves face to face with principles of conduct to which such a process of valuation is utterly abhorrent.

Among these finer principles of conduct is the military obligation; that is to say, the duty of every individual, capable of bearing arms, bravely to face all the hardships and perils of war, when required by his country to do so, and even cheerfully to die, if her necessities shall call for that supreme measure of devotion. This obligation is not the creature of contract; no element of barter or sale enters into it. It springs merely from the paramount allegiance that every citizen owes to the land that has bred and nourished, or that has sheltered and adopted, him. It is the correlative of the duty of the State to protect him against domestic and foreign enemies, and to assure him equality of opportunity in the individual competitions of life; and it is an obligation of such a high and imperative nature that failure to comply with it is justly punished by some of the worst penalties known to human society. The citizen can not demur because the State takes him away from an employment that is yielding him perhaps \$5 or \$10 a day and gives him a cash per diem of only \$1 as a soldier. As I have said elsewhere, if he does, the answer is simply that, when the mother calls, the children must come. The service exacted of him is a public service, which he is bound, as a good

citizen, to render to the Commonwealth, whether he is inclined to do so or not; and its value is not to be tested by the mercenary standards of gainful private employments.

Indeed, few things in human history are more striking than the deep-seated aversion and contempt in which the mercenary soldier has always been held. The Prætorian Guard of ancient Rome, the Janizary, the Mameluke, the Hessian, the Swiss hireling and his *point d'argent*, *point de Suisse* (no money, no Swiss), were all objects of hatred at the times at which they severally flourished, because deeply engraved upon the human heart is the ineffaceable sentiment that the true military spirit—the fire that burns in the breast of a patriotic soldier like pure flame upon an altar—is a thing that can not be purchased without being destroyed in the very process of purchase. When lucre comes in at the door military honor goes out at the window.

The soldier, of course, must be fed and clothed and maintained in health by the state while he is fighting its battles. It is only the knight errant of the age of chivalry that has no physical wants; but, in the very nature of things, such a provision for the material welfare of the soldier must, even when the cause of his country prospers, be limited and, often when it does not, must be pitifully meager. The sturdier American soldier during the Revolutionary War still fought on after the Continental currency, in which he was paid, had practically lost all buying power. The same thing was true of the Confederate soldier after Confederate paper money had become little more than a museum curiosity. It would be well for some of the World War service men, who are so bent upon the bonus, to refresh their memories as to the pay that soldiers on the European Continent received during the World War. For instance, in addition to his maintenance in food and the like, the regular pay of the German soldier, during the war, was only \$3 a month; of the Belgian soldier only \$2 a month; of the Czechoslovakian soldier only \$1.45 a month, and of the French soldier only \$1.45 a month.

Compared with these pittance the pay of an American soldier during the World War was most generous. He was provided with food, clothing, and the very best medical attendance, and was paid the sum of \$30 per month besides, or \$33 per month if abroad; or, in other words, a monthly amount some 10 times that paid to the German soldier and some 20 times that paid to the French soldier. In addition, if he had a wife he was allowed the sum of \$15 a month; if a wife and one child, the sum of \$20 a month; if a wife and two children, the sum of \$22.50 a month; if a wife and three children, the sum of \$30 a month; and if a wife and more than three children, the further sum of \$5 a month for each child in excess of three; not exceeding, however, a maximum of \$50. It is true that at the close of the World War some of the Continental Nations did give considerable sums of money to their soldiers in addition to their regular pay during the war; but it is evident that these sums were given to them simply to make up for the purely nominal character of their regular pay. It is also true that, despite the fact that during the war Great Britain and Canada paid their soldiers monthly sums similar in amount to those paid to the American soldier, they gave them at the end of the war further sums amounting in the whole to \$542,640,000 for Great Britain and \$170,000,000 for Canada; but these amounts were given merely to enable the British or Canadian soldier to tide over the brief interval between the termination of his military service and his absorption into ordinary civil pursuits; just as the supplemental sum of \$215,339,520 was given by us at the close of the war to our service men, in addition to their regular pay, for the same purpose; the only difference being that the British and Canadian soldiers were in the field for a period of 4 years 3 months and 7 days, and our soldiers for a period of only 1 year 7 months and 4 days.

Mr. WALSH of Massachusetts. Mr. President—

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Massachusetts?

Mr. BRUCE. With pleasure.

Mr. WALSH of Massachusetts. Not for the purpose of developing any controversy, but to get the Senator's further opinion about one of his arguments, may I make an inquiry? I have listened with much interest and with some approval to the very strong argument the Senator has made about the military obligations of men in time of war. Will the Senator explain why, if that sacrifice that he has so beautifully described is to be expected and demanded, there should be such a marked distinction between the compensation paid military officers and that paid privates? Should not the same economic sacrifices be made by officers as by privates? Sometimes it is only a question of whether a youth who is in his first year in college shall be a second lieutenant or a private. Yet we did make

during the last war a very marked economic difference, the difference between, approximately, \$330 and \$2,000. If all owe their country service without compensation, why make such a very wide difference in the compensation of officers and privates?

Mr. BRUCE. Yes; but the officer suffered proportionately just as much as the private did. Many an officer in the World War received \$2,500 a year pay who would probably have been making from \$5,000 to \$20,000 in civil life.

Mr. WALSH of Massachusetts. But money is not to be considered. Men ought to do this from the spirit of patriotism. Why should not the second lieutenant, who perhaps is a first-year college student, as well as the private, who is a first-year college student, both receive the same salary?

Mr. BRUCE. Of course all the rewards of life must be measured more or less by relative intellectual superiority, education, discipline, training, or what not. It does not seem to me that the recognition of the difference in the service of an officer and of a private impinges upon the line of argument I was pursuing.

Mr. KING. Mr. President, will the Senator from Virginia yield to me?

Mr. BRUCE. Not the Senator from Virginia, although I believe somebody did say that I was a third Senator from Virginia, but first of all I am a Senator from Maryland.

Mr. KING. I beg the Senator's pardon. The Senator from Maryland has all the fine qualities and the magnificent eloquence of the foremost Virginians who have been an ornament in this body, so that in the slip of the tongue I was paying a great tribute to him as having been born in Virginia, and visualizing the fact that he spoke as a great Virginian.

Mr. BRUCE. I once heard a person say, under similar circumstances, that a man who is not loyal to his mother will never be loyal to his wife.

Mr. KING. I was about to say that the second lieutenant, the first lieutenant, and the officers generally had imposed upon them, by reason of Army discipline and the rules and requirements of the Army, expenses greatly in excess of those which were incurred by privates.

Mr. WALSH of Massachusetts. Does the Senator think it was sufficient to make the difference of about \$1,500 between the pay of a second lieutenant and the pay of a private?

Mr. KING. I am not able to state the difference, but there is a difference.

Mr. WALSH of Massachusetts. I recognize there is some difference.

Mr. KING. The Senator has studied it, and is doubtless better able to answer the question than I.

Mr. WALSH of Massachusetts. My position is that if the principle is a good one, and it is, which the Senator from Maryland has so well expressed, that in time of war patriotic motives ought to control all, and if we should serve without financial reward, let all privates and officers, property owners and laborers, equally give without any economic benefit. Let us not compel the man who is drafted as a private to be penalized more than any other man or any other class because of the small amount of compensation paid him.

Mr. KENDRICK. Mr. President, will the Senator yield? The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Wyoming?

Mr. BRUCE. I yield with pleasure.

Mr. KENDRICK. Under that conviction, I ask the Senator if he does not believe that it was just as much in order for those who participated in the benefits or profits of the war to have contributed all of those profits as it was to ask the soldier boys to contribute all of their time?

Mr. BRUCE. They did contribute an enormous portion of them.

Mr. KENDRICK. It is also true, as I believe, that the majority of those who oppose the adjusted compensation legislation made more money during the period of the war than they ever made before the war or have made since the war.

Mr. BRUCE. It is very difficult to say how far that is true and how far it is not true.

Mr. WALSH of Massachusetts. I thank the Senator for permitting me to interrupt him. I shall not interrupt him again.

Mr. BRUCE. I am glad to yield to the Senator. There is no question that a very large portion of the extraordinary gains during the war have since been lost, especially during the year 1921.

Mr. KENDRICK. In that connection, if the Senator will yield again, may I ask him a further question?

Mr. BRUCE. I yield with pleasure.

Mr. KENDRICK. Does not the Senator believe that had the Government conscripted the incomes from property during the

war this Nation could have paid its war obligations as it proceeded; that is, the incomes less the amount required by subsistence by the owners? Does not the Senator believe that it is also true that if we had proceeded under that kind of order there would have been less of inflation and less deflation, and there would have been no profiteering, no occasion for profiteering, and the country could have paid its every obligation, including that imposed by adjusted compensation, and concluded the war without any increase in the amount of the national debt?

Mr. BRUCE. I think it is not unlikely that in the next war the scope of conscription will be very much broadened. I think, so far as the civilian labor needed by the Government is concerned, it ought to be conscripted, just as military service was conscripted in the last war. Property in one way or another, perhaps, might be harnessed up more effectively than it was in the last war.

If the Senator will just wait a little while, I think I shall succeed in showing him there was very little pecuniary sacrifice so far as the private soldier was concerned. The mere pecuniary sacrifice, if we come down to it, was largely on the part of the officer. The private soldier received a sum of pay very closely approximating what the industrial worker received at home, but an officer sometimes received as much as \$2,500 a year who, as I said, may have been making at home an income from \$5,000 to \$20,000 a year.

Nor does the duty of a soldier to his country cease when he ceases to be a soldier. Of the stern veterans led by Cromwell, it has been said that when they returned to the common walks of life they were distinguishable from the great mass of their countrymen only by their superior sobriety and industry. It would be well if that could be affirmed of all disbanded soldiers, for when they have gone back to their homes the sooner they sink their military in their civic character the better it is for both them and their country. It is only proper, of course, that the members of such an association as the American Legion should cherish the memory of their common privations, sacrifices, and gallant exploits, keep alive their sense of fellowship, and disseminate, far and wide, sentiments of ardent patriotism; but they should be careful to see that they do not pass under the control of a grasping corporate spirit bent upon converting them into mere instruments for the promotion of selfish class aims which can not be gratified without grave injury or loss to the entire community. When this happens the fewer homilies they preach about Americanism and the general duties of the American citizen the better they will be able to preserve their countenances. An organization that enrolls a vast army of service men and then brings their pressure as voters to bear upon the ordinary operations of government for the purpose of arresting wise and salutary plans of general tax reduction and securing an enormous pecuniary gratuity for its members and their fellow veterans is an organization that might prove no less oppressive to a people than the victor who levies a contribution upon a captured city. More than one voice in Congress has sounded the peril in which our institutions might become involved were the Government to acquire the ownership of our railroads and take into its employ the two or three millions of workers who are now employed by these railroads and who could each, to a greater or less degree, count upon the help of his relations and friends for the furtherance of his demands upon the Government; but the influence that might be exerted by such a body of railroad employees is not comparable for a moment with the influence that might be exerted by a compact body of 4,500,000 service men and their relations and friends.

Once let such a host of individuals, even though far less numerous than that, give an impressive proof of their power—such as the enactment of the Federal soldiers' bonus—and it is hard to fix the point at which their exactions would stop. To-day it would be *bonus*; to-morrow, *melior*; and the next day, *optimus*. Love is said to grow by what it feeds on, and so, apparently, do bonuses. To me there could be no better illustration of the insatiability of the bonus appetite—whether its craving is for bread and the circus, as in ancient Rome, or for some other largess—than the history of the colossal *douceur* which is now sought from the Government. When our World War service men were mustered out of service, in addition to their regular pay, the sum of \$215,339,520, as I have said, or a sum equal to \$60 per capita, was distributed among them by the Government for the purpose of smoothing their pathway from military to civil life; but, so far as the sponsors of the proposed Federal bonus are concerned, this payment was accepted by them merely as a foretaste of future benefits. Hardly had it been made before they were busily at work to obtain other bonuses, and so eager were they to

leave no field of exploitation undeveloped, that it does not seem to have ever occurred to any of them to ask to which Lady Bountiful—the State or the Nation—they are really entitled to look for a bonus, if entitled at all. All the legal subtleties involved in this inquiry they readily disposed of by simply asking for a bonus from both. This meant, of course, that, if they were to receive a Federal as well as a State bonus, the taxpayer in the State granting the State bonus would be bled first on one temple and then on the other. So far, they have obtained State bonuses totaling not less than \$361,970,141, and yet many probonus service men in the States by which these bonuses were granted are pressing the pending Federal bonus as if they had passed through a period of dearth instead of abundance. Should they obtain this bonus, too, what good reason have we to believe that such a multitude of active, able-bodied young men, with such a long lease of life before them, might not again become weary of the irksome task of earning a living for themselves and come along with another application for another Federal bonus?

We can only hope that the next time the bonus would not be paid by depleted State or Nation but by the virgin treasuries of the great cities of the country, which are so fortunate as not yet to have been singled out for a bonus levy, but may perhaps yet be. Indeed, the Nation and the States may well congratulate themselves as time goes on the probonus service men shall not cease to ask for such fugitive things as bonuses—blown in, in thousands of instances, almost before they are given—and strike out for a solid, continuous service pension long before their manly strength shall have declined and they shall have arrived at the sad stage of superannuation to which service pensions have heretofore been limited. I am not such an alarmist as to think that the day of the Praetorian Guard, which overawed the Roman Senate, assassinated the Roman Emperor Pertinax, and auctioned off the Roman Empire to Julianus, will ever be reproduced in America; but should our probonus service men succeed in frustrating all the efforts of the Government at the present time to relieve the back of the American people of the grievous burden of taxation imposed upon it by the very war in which these service men took part, it might become timely to ask whether they, too, were not measurably a consolidated force of sinister significance in the life of the Republic. When the American Legion held at Minneapolis its first national convention, it meekly declared that "it could not ask for legislation in its selfish interest, and left with confidence to Congress the discharge of the bonus obligation"; and afterwards it stoutly maintained for a time the claim that national bonus agitation was solely the uninspired product of congressional enthusiasm; but when the Legion held at San Francisco, in October of last year, its fifth national convention, it ceased to speak in any such deprecatory or soft accents as those, but boldly demanded that Congress enact its bonus bill. And now I see that it has even employed a marketing expert, Mr. Aaron Schapiro, as one of its advisers.

This reminds me of a story that was told on the European Continent after the Franco-Prussian War. "Do you know," said one of the French negotiators to Bismarck, after the amount of indemnity required of France by Germany had been named, "that a man engaged in counting out such an amount of money as that ever since the time of Christ could not yet have completed his count?" "Yes," replied Bismarck grimly, pointing over his shoulder to a Hebrew accountant, "but I have brought along with me a fellow whose ancestors were counting money long before the birth of Christ."

In saying what I do it is no part of my intention to disparage the valor or the efficiency of the American soldier in the World War. Generally speaking, I think that he did his duty faithfully and fearlessly. I shall never forget the feeling of pride that thrilled my whole being, shortly after our Army had reached France, when the admission was made in a formal report to Berlin by a German officer who had come into hostile contact with some of our ordinary troops that they were equal to the best German shock troops. Indeed, I doubt whether in any war in our history the American soldier was ever endowed with such a high degree of technical training and discipline as in the World War; and at St. Mihiel, in the Argonne, and at Chateau-Thierry he showed that he was a worthy successor of the combatants who faced each other at Gettysburg and in the series of desperate conflicts which took place between Spotsylvania Courthouse and Cold Harbor. It may well be claimed that at Chateau-Thierry, at any rate, the proud, imperious intrepidity of our soldiers exercised even a decisive influence upon the fortunes of the World War. And certainly history furnishes few examples of unflinching and deadly individual prowess equal to those of Sergeants Woodfill and Yorke. But I, for one, can see no reason why the American people should

have refused the Union veteran a pension, except for disability incurred in military service, for 35 years after the Civil War and yet be willing to confer a bonus exceeding the entire cost of that war upon our World War service men, able-bodied and otherwise, only five years after the World War. We entered the World War so late that only a small part of them were ever engaged in action at all.

Nearly half of their total number, 4,679,853—that is to say, 2,244,853—never even left our shores, and only 50,280 of them perished upon the battle field or died of their wounds, or not quite half as many as little Belgium lost, and not as many as were set down as killed, wounded, and missing after the Battle of Gettysburg alone. All of them were maintained in a remarkable degree of physical comfort, and some of them in a far higher degree of such comfort than they had ever known in civil life. To hundreds of thousands of them the war was only a valuable school of instruction for private life and an agreeable recreation field. The average period during which the soldier was withdrawn from civil life was less than a year. When I contrast such a war with the Civil War—its innumerable battle fields; its terrible hardships; its ghastly mortality; its long agony—and then remember that 10 years after the termination of the Civil War Ulysses S. Grant, the victorious commander of the Army of the Potomac, as President, refused to give his assent to a service pension bill, I can not but wonder how such a proposition as the Federal soldiers' bonus could ever have been boldly pressed upon the attention of Congress.

"But," says the probonus soldier, "I am not soliciting any pecuniary reward for my patriotic services or for my military sacrifices. I admit that these things should not and can not be minted into money. I am simply suggesting that my Army pay be increased to an extent that will make my entire remuneration equal to the high wages that the common laborer at home received during the war. In other words, I am not asking for a bonus, but only for adjusted compensation. There is no reason, therefore, why I should not say just what I think that this compensation should be in terms of Federal money."

This distinction between a bonus and an adjusted compensation is, I confess, too refined for such a poor casuist as I am. If it is really put forward in good faith, I might stop to ask: "Why then does your proposition allow the service man, who crossed the seas and encountered the risks of the submarine and machine gun, a per diem of \$1.25, and yet allow the service man who did not leave our shores a per diem of only \$1? By what could this discrimination have been prompted but the feeling that, in the one case, military hazards had been incurred which had not been incurred in the other; but assuming, for the sake of the argument, that the distinction between a bonus and an adjusted compensation is sound, I must still insist that the compensation which is sought by the probonus service men should not be termed "adjusted" but rather "maladjusted" compensation. It is a stereotyped one, uniformly applicable to all soldiers below certain grades who were on our Army pay roll during the World War. Except as respects the difference in pay of 25 cents per diem which I have just mentioned, it puts the soldier who never went across the Atlantic upon the same footing as the soldier who lodged in the lousy trenches of France and was rarely outside of the radius of death-dealing shells. I hope that its framer did not reduce it to this form merely because he feared that if he did not the probonus ranks might be thrown into angry confusion. It draws no distinction between the volunteer and the draftee who did not volunteer only because he had dependents to support on the one hand, and the draftee who clung by his claws to the security of civil life as long as he possibly could on the other hand. Nor does it draw any distinction between the married service man whose wife or child was employed at high wages or at a high salary in some munition or other factory while he was in the service and the service man whose wife or child was not so fortunate.

Mr. KENDRICK. Mr. President, will the Senator from Maryland yield?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Wyoming?

Mr. BRUCE. I do.

Mr. KENDRICK. I merely wish to ask a question. Does the Senator from Maryland assume from that statement that a single man who went to war was without obligation to his loved ones, to his mother or sister or to persons otherwise dependent upon him?

Mr. BRUCE. I do not. In the first place, his mother very likely had a husband or children at home to support her who

were civilian workers. Naturally, therefore, I am limiting the comparison to the married service man and his wife.

Nor does the adjusted compensation draw any distinction between the service man whose family received assistance from relations or friends while he was in the service and the service man whose family did not; nor between the service man who was a skilled artisan and was earning \$5 or more a day when he entered the war and the service man who was an unskilled laborer and was earning only \$1 or \$2 a day when he entered the war and the service man who was a callow youth or a shiftless idler and was earning nothing a day when he entered the war; nor between the service man who entered the war as early as 1917, before war wages set in, and the service man who entered the war in 1918 after he had been receiving war wages; nor between the disabled service man who is already being generously cared for by the Government and the service man who has no sickness or wounds to entitle him to the same measure of consideration; nor between the service man who has been given a State bonus and the service man who has been given none; nor between the private, even of the lowest grade in point of position and pay, and the officer below the grade of captain with greater earning capacity and a more exacting place in the social scale to maintain.

And why, if it is really adjusted compensation that is sought by the probonus service man, should no officer, not below the grade of captain, be allowed a bonus when, if such an officer had been permitted to remain in civil life during the war, he, too, might have earned an income as much larger than the income that a private might have earned in civil life, as his Army pay was larger than that of the private? If there is to be an adjusted compensation, the adjustment ought to be an all-around one.

The adjusted compensation idea also ignores some most important considerations in its comparison between the pay of the service man and the wages of the civilian worker at home. The service man did not receive merely \$30 a month, or \$1 a day, or \$33 a month, or \$1.10 a day, if abroad. In 1922 the Senate Finance Committee, in its report on the Federal bonus bill of that year, estimated that the cost to the Government of his maintenance and clothing was about \$2 a day in addition. So he received altogether, in money and in maintenance and clothing, appraised at their cost to the Government, not \$30 or \$33 a month, but \$90 or \$93 a month; not \$1 or \$1.10 per day, but \$3 or \$3.10 per day; nor should it be forgotten that if he had remained in civil life his maintenance and clothing would have cost him very much more than they cost the Government, because the Government purchased the supplies that it furnished to its soldiers in large quantities at wholesale prices. It should also be remembered that the service man received not only \$30 or \$33 a month and his maintenance and clothing, but medical attention free of charge, too; and also the allowances for family dependents that I have already mentioned; and that, unlike the civilian worker at home, he was always employed and was always paid, sick or well; and even had his life insured by the Government at a cost far less than that at which the civilian worker could have taken out the same insurance.

It should be further remembered that most of our service men were young, unmarried men between the ages of 21 and 30; that they were drawn chiefly from the ranks of unskilled workers or office subordinates; that some of them had never earned anything; and that many of them had earned but little. For example: Of the service men between 21 and 31, who constituted class 1, no less than 87 per cent were single. For further example: Of all the service men who were accepted for service in the first draft, not less than 63.5 per cent were unskilled. Moreover, the fact should be borne in mind that our Army during the World War consisted principally of service men who did not leave their civilian occupations until the year 1918. If, therefore, the economic plight of the service man is to be compared with that of the civilian, the year 1918 should be taken as the basis of the comparison. After 1918 the service men were largely demobilized and again engaged in the ordinary profitable occupations of life. This being so, we must not lose sight of the fact that, while the civilian worker received largely enhanced wages in 1918, this rise in his wages was attended by an increase in the cost of living 52.2 per cent over the cost of living in July, 1914. And why should it be assumed that during the World War every civilian worker labored steadily every day, earning the higher per diem which supplies the standard of compensation on which the present claim to the Federal soldiers' bonus is based? If any fact about the World War is notorious, it is the fact that when civilian wages were at their highest level, thousands of laborers in industrial establishments showed that they prized leisure

fully as much as they did money by working only enough days in the week to secure the same total amount of pay per week that they had been receiving before the war.

And, finally, any comparison between the pay of the service man and the wages of the civilian worker during the World War should take into due account the fact that when the civilian worker grows aged and indigent he will have no Government pension to fall back upon, while the service man, if his present is any just augury of his future activity, most assuredly will.

Furthermore, the difference between the total annual compensation, in cash and otherwise, received by the service man during the World War, and the average earnings during that war of the ordinary civilian worker at home has been grossly exaggerated. The yearly average pay of all enlisted men during the World War, including extra allowance for special service and length of service, was \$567, and the yearly cost of maintaining him, exclusive of overhead, at \$2 per day, was \$720; making the total yearly average compensation of all enlisted men during the World War \$1,287. Compare with these figures the annual earnings of civilian workers at home during the year 1918, as recently tabulated by the Annual Industrial Conference Board:

*Annual earnings, 1918.*

**MEN AND WOMEN.**

All industries	\$1,078
Agriculture	590
Mining	1,283
Factories	1,148
Transportation	1,286
New York State factories	1,035
Massachusetts	944

**UNSKILLED LABOR.**

New York Federal reserve district	920
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**MEN.**

Pennsylvania:	
All industries	1,325
Shipbuilding	1,689
Coal mining	1,410
Metal products, including making of firearms and ammunition	1,478
Average, excluding war industries	1,218
General:	
Metal, cotton, wool, silk, boot and shoe, paper, rubber, and chemical manufacturing	1,284
Railroads	1,425
Families:	
12,000 selected families of 5 in 92 communities in 1918-19, total annual income	1,513
Contributed by father	1,361

The contrast between the compensation of the service man and that of the Government civilian employee, brought out in the same tabulation, is still more favorable to the former.

*Government employees average yearly earnings, 1918.*

All classes	\$895
School employees	718

These figures are all based on data derived from highly authoritative sources. Never before in the history of the world did the bare cash pay of the private soldier so nearly approach the money wage of the civilian worker as it did in the case of the American and other English-speaking soldiers of the World War, and never before in that history was such a generous provision made for his maintenance; and that the American soldier should now, more than five years after the World War, insist in a nice, jealous spirit upon being placed upon a footing of pecuniary equality with the civilian worker who, through the mere accidents of the draft, was not called to the colors instead of himself, is to my mind a most extraordinary, not to say painful, circumstance. During the greater part of this period of five years our country has been the most prosperous on the globe, and has offered almost unlimited opportunities for work to every man who really desired to work. If there is any service man who has not been able fully to reestablish himself in life after such a long period it must be either because he has made no real effort to do so or has had no equivalent to offer for a living wage or salary.

It has been claimed that the proposed Federal bonus is abundantly supported by American precedents, but when these supposed precedents are examined it will be found that they do not substantiate the claim. All general payments made by our Government to the American soldier during or after our different wars, in addition to his ordinary pay, were either bounties to encourage enlistment or reenlistment, as during the Civil War, or pensions for military service. Certainly if there ever was a body of soldiers to whom the National Government owed a supreme debt of gratitude, it was our Revolutionary soldiers and the Union soldiers of the Civil War, for in the Revolutionary War nothing less than our national independence was involved, and in the Civil War the very life of the Union, formed in 1787, was at stake; yet no service pension did the Revolu-

tionary soldier receive until 35 years after the end of the Revolutionary War, and none then unless he was in indigent circumstances; and no pension did the able-bodied Union soldier of the Civil War receive until more than 40 years after the close of the Civil War; nor was any bonus of any sort ever given to the veterans of the Spanish-American War, who were paid only from \$13 to \$15.40 a month while engaged in it. It has been said on behalf of the ambitious officers who were eager to win, but did not win, military distinction in that war, that it did not furnish enough war to go around; and it may be that it drew too small a number of soldiers into the field to awaken any political hopes or fears. Be this as it may, it was not followed by any such dole as is held out by the proposed Federal bonus.

The claim is further made that after the World War bonuses were paid by the Government to the railroad companies and other corporations or individuals to cover losses incurred by the donees during the war, but these payments arose out of purely business contracts and represented mere business adjustments, such as might attend final business settlements between private parties.

Equally untenable is the claim that, after the World War, bonuses were paid by the Government to its civilian employees and its regular soldiers and sailors. These payments were not retrospective in character at all; nor were they intended to be given as adjusted compensation. While commonly known as bonuses, they were mere increases of regular pay bestowed upon the recipients solely for the purpose of offsetting the high cost of living, which has been a part of the aftermath of the World War; or, in other words, of equalizing in some measure their pecuniary lot with that of the ex-service man or other citizen to whom the ordinary rewards of civil life are open. When we recollect that the average annual earnings of all Federal employees in 1918 were only \$895 and that, on account of the high cost of living which then prevailed, this sum had the purchasing power of only \$567 in terms of the pre-war dollar, we can not but feel that the Government might well have been set down as a niggard if it had not increased the compensation of these employees as it did, and this observation, of course, is equally applicable to the increase in the pay of our regular soldiers and sailors.

Summing up what I have said, without hesitation I reach the conclusion that the proposed Federal bonus is not only indefensible in principle, but if it were not, would, even as a measure of practical relief, be most illogical and unequal in the distribution of its benefits.

The truth is that when service men insist that the standard of their ultimate compensation for their war service should be the inflated wage of the railroad or ship-plant worker during the World War they are simply seeking their standard in the misfortunes of their country. Testimony to that effect was unconsciously rendered by the junior Senator from New York in his interesting speech on the bonus delivered in this Hall on January 8 last. Referring to the World War, he said:

The needs of Government and of society made it imperative that the essential industries be kept under full steam. Help had to be obtained at any price. (CONGRESSIONAL RECORD, p. 689.)

The fact that under the inexorable economic conditions of a state of war abnormal wages or salaries—some extorted under the menace of selfish and ruinous strikes from the war necessities of the Nation—were paid to many civilian workers in the United States was just as much one of the extraordinary hardships that the American people had to endure in their struggle with Germany as the loss of property or life upon the battle field itself; and if the service man were to avail himself of this hardship now for the purpose of wresting a bonus from the Government he, too, would be one of the worst of the war profiteers.

Mr. McKELLAR. Mr. President—

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Tennessee?

Mr. BRUCE. I do.

Mr. McKELLAR. The Senator from Maryland will recall that when the World War closed the material men, those who had furnished the Government materials and supplies during the war, having contracts with the Government at the highest prices that were ever known among civilized men, as soon as the war was over came before Congress demanding a readjustment of their pay, although unlike the soldiers they had received the highest prices and the highest pay in all history; and they got a readjustment, which was taken from the United States Treasury by law, amounting to \$700,000,000. Does the Senator from Maryland place those war profiteers in the same category in which he places the soldiers?

Mr. BRUCE. To begin with, I think the Senator from Tennessee is too hasty in calling all those men war profiteers. In

the next place, their claims arose out of purely business contracts and represented purely business adjustments.

Mr. McKELLAR. It was an adjustment of their pay. Those men had made the highest profits in all history, but they were not considered high enough, and they came here after the war was over, petitioning Congress to readjust their pay, and they got a readjusted pay of \$700,000,000. The Senator from Maryland can not defend them and at the same time denounce the soldiers for coming here.

Mr. BRUCE. Their claim rests on an absolutely different footing, as I have been endeavoring to show.

Mr. McKELLAR. The only difference is that the soldiers are infinitely more deserving than the profiteers.

Mr. BRUCE. Those claimants came forward just as any ordinary contractor comes forward with a proposition of settlement or adjustment.

Mr. McKELLAR. Mr. President—

Mr. BRUCE. If the Senator will permit me, my entire argument has tended to point out that there is a very wide distinction to be taken between the pecuniary status of the ordinary citizen and the soldier.

Mr. BROOKHART. Mr. President—

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Iowa?

Mr. BRUCE. If the service man feels that he should resort to the standard of his ultimate compensation to civilian life in the United States during the World War, why does he resort to some highly paid railroad or shipyard employee whose services war industry had to have at any cost during the war and not to the average employee of the Government, whose salary of \$895 per annum had in 1918, as we have said, the purchasing power of only \$567 in terms of the pre-war dollar, or to the average school employee in the United States, whose salary of \$718 per annum had in 1918 only the purchasing power of \$505 in terms of the pre-war dollar? Assuming that the faithful and useful service rendered by a public-school teacher—man or woman—during the war is not as deserving of pecuniary reward as the service of the soldier who actually confronted death on the battle field, it is certainly as deserving of such a reward as the services of hundreds of thousands of soldiers who are deemed worthy of the proposed Federal bonus but who never smelt a whiff of powder from one end of the World War to the other except in the course of military preparation on our own soil. If such a teacher, or the thousands of other State and Government employees whose fixed salaries were so pathetically cut down during the war by the high cost of living, uncomplainingly accepted their hard fate, ought not the soldier, whose measure of patriotic obligation is so peculiarly rigorous, to do the same thing?

Such considerations simply bring me back to the point from which I began. The American soldier on the eve of the World War had no right to haggle or bargain with his country about the price of his services.

Theirs not to reason why;

Theirs but to do and die.

And if he came back uninjured he lowers the dignity of his military character and may make himself a grievous charge upon the general welfare by insisting that his patriotic service shall be appraised like any other commercial commodity enhanced in price by the artificial conditions bred by war. If he volunteered, he did nothing more than any high-minded man might have done under the same circumstances and should readily find a full compensation for his services in the same patriotic spirit that impelled him to volunteer. If he had a meritorious excuse for not volunteering and abiding the chances of the draft, as, of course, thousands of young men did, his point of view about the proposed bonus should be the same as that of the volunteer; but if he did not volunteer only because he was resolved not to fight unless pushed into the war by the draft, then it seems to me that the least that he can do now is to accept his regular pay as a full return for his military services and to be discreetly silent. Now, as always, it is true that except in a few conspicuous instances of individual gallantry the measure of a soldier's pecuniary deserts after war is the extent to which he was incapacitated by wounds or disease referable to war from earning a livelihood for himself by his own honest efforts. If this principle can ever be safely departed from, it is only when the surviving veterans of some conflict of momentous significance to the fate of a people have become comparatively few in numbers and as a rule too old and feeble for the active competitions of private life.

If it is said that I have formed too quixotic or ideal a conception of the military obligation, I answer that I have formed none that had not swayed the conduct of innumerable brave

soldiers long before the World War arose and that has not been expressed to me by scores of gallant American soldiers who served in the World War. Indeed, I have formed none that was not in the minds of the framers of the last Democratic national platform, when they rejected the soldiers' bonus and wrote the plank in that platform which so many Democrats seem to have forgotten:

The fine patriotism exhibited, the heroic conduct displayed by American soldiers, sailors, and marines at home and abroad, constitute a sacred heritage of posterity, the wealth of which can never be recompensed from the Treasury and the glory of which must not be diminished.

And what, after all, is this but the sentiment of the Spartan athlete who was offered a sum of money to keep out of the Olympian games, but declined the offer and overthrew his antagonist, though with difficulty? "Spartan, what will you get by this?" he was asked. "I shall have the honor," he replied, with a smile, "to fight foremost in the ranks before my Prince."

Mr. McKELLAR. Mr. President, will the Senator yield there?

Mr. BRUCE. I yield.

Mr. McKELLAR. I am sure the Senator does not want to make a historical mistake.

Mr. BRUCE. I certainly do not.

Mr. McKELLAR. After the Revolutionary War Congress voted every soldier 100 acres of land.

Mr. BRUCE. It did.

Mr. McKELLAR. As a bonus.

Mr. BRUCE. As a bounty.

Mr. McKELLAR. Call it a bounty or a bonus. It was the same thing.

Mr. BRUCE. That was done in order to equalize the pay of the recipients to that which had previously been received by other soldiers.

Mr. McKELLAR. Of course; and that is the very purpose proposed to be accomplished in this case.

Mr. BRUCE. The same thing was done in the case to which the Senator from New York referred. It will be recalled that he referred to the fact that General Lee and General Grant both received a certain amount of land—140 acres each, I think—from the Government. That was simply because during the Mexican War a similar allowance had been made to privates and noncommissioned officers. The act of 1850, under which General Lee and General Grant received that land, was passed merely for the purpose of putting commissioned officers upon the same footing on which privates and noncommissioned officers had been placed during the Mexican war. Nor was the land received by Abraham Lincoln, after the Black Hawk war, a mere bonus.

Mr. COPELAND. Mr. President—

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from New York?

Mr. BRUCE. I do.

Mr. COPELAND. Does the Senator from Maryland think that the second pension Abraham Lincoln received was for the same purpose?

Mr. BRUCE. That second grant of land was to make up a deficiency in the first, as I recollect; but I am relying merely upon memory.

Mr. COPELAND. In 1850, 18 years after the Black Hawk war, he received 40 acres of land, and then in 1855 he had an additional grant.

Mr. BRUCE. Yes; and one of the peculiarities of all these former pensions and benefits was that they were not paid to the soldier until years and years after the conclusion of war.

Mr. McKELLAR. Well, Mr. President, is not that true of this war also?

Mr. BRUCE. No; only five years have passed.

Mr. McKELLAR. Mr. President—

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Tennessee?

Mr. BRUCE. I do.

Mr. McKELLAR. The Senator will recall from history that General Washington once served in the British Army. He served under General Braddock; and after that celebrated engagement, and after his campaigns of that year were over, General Washington went to Petersburg, Va., the then capital of Virginia, and spent the greater portion of the winter lobbying with the Virginia Legislature to get a bonus for the soldiers under his command, and did get it. In the Revolutionary War they gave them a bonus in land. After each war, whether you call it a bounty or whether you call it a bonus, or a service pension, or whatever you call it, we have paid our

soldiers on every occasion; and I will say to the Senator from Maryland that they are going to be paid this time, too, in exactly the way that they have been paid throughout our entire history.

Mr. BRUCE. If the Senator is as poor a prophet as he is a historian, I doubt whether that will ever be the case.

Mr. McKELLAR. The Senator surely does not dispute the fact that General Washington obtained bounties for his soldiers?

Mr. BRUCE. Why, of course he did.

Mr. McKELLAR. Or that the Federal Government gave a bounty of land after the Revolutionary War. Surely the Senator does not make that statement?

Mr. BRUCE. Certainly I do not. Unfortunately—and I wish the learned Senator from Massachusetts [Mr. LODGE], so familiar with American history, were here to corroborate what I say—unfortunately, the practice of giving bounties during the Revolutionary War to secure enlistments was early embarked upon, and it led to such abuses that George Washington deeply deplored the fact that such a system had ever been adopted.

Mr. McKELLAR. He was responsible for it.

Mr. BRUCE. I do not deny for a moment that some handsome gift might well be given to a private soldier who had been conspicuous for his gallantry in war, or to a general who had been conspicuous for his military genius in war. I forget the princely sums—perhaps some Senator here recollects them—that were given by England to Admiral Nelson after Trafalgar and to Wellington after Waterloo. So in our own history men have been singled out from time to time, whether private soldier or general, for some special mark of distinction at the hands of a grateful people.

Nobody knows better than the Senator that at this very time I am endeavoring to do all in my power as a member of the Committee on Military Affairs to see that Sergeant York, one of the heroes of the World War, receives from this Government the pecuniary testimonial that is justly his due. Of course, the idea of singling out a man under such circumstances for distinction is partly, of course, to honor him, but not altogether. It is to make an example of heroic conduct for the benefit of posterity for all time to come. Nothing ever gave me more pleasure than when I read that Sergeant Woodfill, who shares with Sergeant York the credit of being probably the most redoubtable private soldier of the World War, had been retired as a special evidence of public appreciation.

Mr. McKELLAR. Mr. President—

Mr. BRUCE. I yield.

Mr. McKELLAR. I want to thank the Senator for what he says about Sergeant York. I think he is exactly right, and I appreciate it very much, as Sergeant York is from my State. On the other hand, I am very much interested in the statement made by the Senator that Mr. Washington was so much opposed to bounties and readjusted pay, for, as I recall the history of Mr. Washington, he accepted a bounty himself, and so did Gen. Robert E. Lee, after the war was over—

Mr. BRUCE. They did.

Mr. McKELLAR. After the Mexican War was over in the case of General Lee, and after the Revolutionary War was over in the case of General Washington. I can hardly conceive of any great military leader inveighing against a plan when he himself accepted it.

Mr. BRUCE. I have gone over that ground. It is unnecessary, it seems to me, for me to repeat what I have already said on that subject.

As I have said, during the last five years our country has been the most prosperous country upon the globe and has afforded an ample opportunity for work to every man who desired work—

Mr. HEFLIN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Alabama?

Mr. BRUCE. I do.

Mr. HEFLIN. The Senator surely has forgotten that during the years 1920 and 1921 over 6,000,000 men and women were out of employment, and that farmers were selling their products below the cost of production, and that ex-service men could not obtain employment.

Mr. BRUCE. I recollect that well; but what the service man could not obtain his fellow countrymen could not obtain.

Mr. HEFLIN. But the Senator said that we had had five years of unprecedented prosperity.

Mr. BRUCE. We had, as a whole. Of course, 1921 was an adverse year. We all know that; but, as I say, the soldier was no longer in the service then. He had mingled again with the mass of his fellow countrymen, and he suffered only as they suffered.

Mr. HEFLIN. In that connection, if the Senator will permit me, representatives of the farmers from the West have been here recently, testifying before the Committee on Agriculture, and some of the testimony shows that nine-tenths of them are mortgaged. Their personal effects are mortgaged, their real estate is mortgaged, and some of them are hopelessly in debt.

Mr. BRUCE. Yes; and when the farmers are in that condition, that is the last time of all when the probonus service men should be asking for a bonus of \$5,000,000,000.

Mr. COPELAND. Mr. President—

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from New York?

Mr. BRUCE. I have a very yielding disposition, but I really do think it has now been tried quite severely.

Mr. COPELAND. Will not the Senator allow me to ask one question?

Mr. BRUCE. Certainly.

Mr. COPELAND. The Senator just mentioned \$5,000,000,000. Would a bonus cost five billion?

Mr. BRUCE. I believe so.

Mr. COPELAND. The kind of a bonus I am talking about, proposing to give a dollar and a quarter a day for every man who served, regardless of whether he went abroad or not, deducting the \$60 he received in the way of a bonus when he came back—

Mr. BRUCE. Yes; but the Senator's proposition seems to be limited altogether to himself.

Mr. COPELAND. That may be, but that sort of a bonus will cost less than a billion and a half, and that is the kind of a bonus I am talking about.

Mr. BRUCE. It is too good to be true.

Mr. COPELAND. The Senator thinks that bonus would be a good bonus, I take it.

Mr. BRUCE. Of course, by way of contrast, if it came down simply to a contrast of pecuniary burdens. But, as I have undertaken to show, I am opposed to any and all gratuities as rewards for military service. Grant this bonus, and the probonus service man may be back asking for another.

Mr. CARAWAY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Arkansas?

Mr. BRUCE. I yield.

Mr. CARAWAY. The Senator evidently thinks that the soldier is utterly without character and has no kind of sense of patriotism, and that he is going to come here and try to destroy the country he offered to die to save.

Mr. BRUCE. Not at all. Thousands and hundreds of thousands of these gallant soldiers have organized themselves in a Nation-wide organization and will be here, when the time comes, protesting that you should not dishonor them by bestowing a bonus upon them.

Mr. CARAWAY. The Senator just said that if we gave them this small adjusted compensation they would be back here with their hats under their arms begging for alms from year to year until they destroyed the country; in other words, that the men who offered to die while the profiteers stayed here and grew rich are the men who are to be condemned, and the profiteers are to have medals of honor pinned upon their breasts.

Mr. BRUCE. I am not condemning a single one of them. I am making my fight on the basis of what I believe—

Mr. CARAWAY. I never questioned but what the Senator believed it.

Mr. BRUCE. To be an unassailable principle. I am speaking for the antibonus service men.

Mr. CARAWAY. Speaking for the profiteers!

Mr. BRUCE. Now, I think the Senator could hardly ask me to yield again—

Mr. CARAWAY. I am not asking.

Mr. BRUCE. Until some sort of proper reparation has been made to me for such a heedless remark as that.

Mr. CARAWAY. Let me ask a question, and I will make the amend.

Mr. BRUCE. Now try this time to be just a little patient and not so impulsive.

Mr. CARAWAY. I will take my seat.

Mr. ASHURST. Mr. President—

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Arizona?

Mr. BRUCE. I am almost ready to yield the floor altogether, but I gladly yield to the Senator from Arizona.

Mr. ASHURST. The Senator referred somewhat reconditely to ex-service men in large numbers opposing a certain plan of taxation. Did I understand the Senator aright?

Mr. BRUCE. Yes; opposing tax reduction.

Mr. ASHURST. To what plan of taxation does the Senator refer?

Mr. BRUCE. Any plan of taxation that is going to have an appreciable effect in relieving us of the burden of debt.

Mr. ASHURST. I thought the Senator in some way—I would not use the word "veiled," because he is frank—might have intended to say the ex-service men in large numbers were opposing the Mellon plan of taxation. If the Senator will pardon me further, the public service which the ex-soldiers are rendering to their country in opposing the Mellon plan is almost as great as the service they rendered on the battle field.

Mr. BRUCE. I think that the Mellon plan, with some good Democratic modifications, is a capital plan.

Mr. ASHURST. The Senator and I would probably agree that all citizens are entitled to a tax reduction.

Mr. BRUCE. Yes; we are.

Mr. ASHURST. If there be one thing upon which there is an unanimous expression throughout America it is that there should be tax reduction. But the vice of this half decade last past is the Mellon plan. It was conceived in selfishness, launched and floated under a vicious propaganda. If the Mellon plan as originally launched should be put through, then the ex-service men must save the country again, and if the ex-service men can save the country from the Mellon plan their service to the country, in my judgment, would be almost as great as it was on the battle field.

Mr. BRUCE. I can not, of course, be drawn off into a discussion of the Mellon plan.

Mr. ASHURST. I thought the Senator was making it a matter of criticism against the ex-service men, who in large numbers are opposing the Mellon plan.

Mr. President, will the Senator yield further?

Mr. BRUCE. I yield.

Mr. ASHURST. It is refreshing to hear the classics quoted so literally as the Senator quotes them. Will he not go further and say that Horatius was paid a bonus? They made a silver statue, as the poem goes, and put it on fame's high hill, and then they gave to Horatius of the corn land, that was a public right, as much as two strong oxen could plow up from morn till night. I hope the able Senator in his copious references to the classics will not omit to say that Horatius was paid and accepted a bonus of corn land.

Mr. BRUCE. Yes; and I have already said that I hope that the Federal Government will be as generous with Sergeant York. I am not inconsistent. If the Senator had done me the honor to follow the whole line of my argument, he would realize that it is not in the least inconsistent with the historic example of which he speaks.

It is no part of my purpose to discuss the proposed Federal bonus from the fiscal standpoint. It is enough to say that it is thought by the present fearless and enlightened Secretary of the Treasury that it would result in a total expenditure of not less than \$5,000,000,000. If so, it would result in a cost approaching the total amount of pensions paid by the Government on account of all of our different wars, except the World War, since its establishment; greater by \$4,000,000,000 than the amount of the indemnity extorted by Germany from France after the Franco-Prussian War of 1870, and equal to little less than one-fourth of the enormous indebtedness entailed upon us by the World War that we are now carrying. It is also declared by the Secretary of the Treasury that if the Federal bonus goes into effect there can be no reduction for many years in the onerous Federal tax burden that is being borne by the taxpayer. At the present time, when the people of the United States are loaded down with such a crushing weight of Federal, State, and municipal taxation, these views of the Secretary of the Treasury, of course, suggest considerations of the utmost importance to every man who desires to have his own individual tax burden lightened or to see the productive interests of the country relieved of an intolerable incubus. But I have preferred to discuss the Federal soldiers' bonus from the moral rather than from the economic point of view, thinking that the former was quite sufficient to lead any disinterested mind to the conclusion that the proposition dishonors the military character, is subversive of the sound principles upon which the military obligation of the citizen has always rested, and, if it should become a part of the public policy of the country, could not fail in time to depress the military spirit and impair the military efficiency of the American people.

Altogether, I can truly say that nothing in my public life has ever given such a painful shock to all my American ideals and to all my settled convictions about the true military character as has this proposed Federal bonus. Born in Virginia the year before the Civil War, I happily grew to manhood late enough to escape the contagion of its passions and to imbibe the profoundest sentiments of admiration for the valor of both the

Union and the Confederate soldier. I claim the achievements of each as a part of my property as an American; but because of the accident of my early southern environment I am peculiarly in a position to recall the spirit in which the latter resumed the ordinary pursuits of civil life and the place that he occupied in the respect and affection of the people among whom he lived. After the surrender at Appomattox, where Grant, like Pompey the Great on a similar occasion, generously preferred the glory that lasts forever to the glory of a day, he went back to his plow or his desk, vanquished, but bearing in his heart an inextinguishable pride in the privilege that he had enjoyed on many an ensanguined field of upholding the cause to which he had vowed his allegiance. Only wasted acres, a shattered industrial life, a disorganized society, and an impoverished and dejected family awaited him. There were no State hospitals to cure or relieve his physical ailments or disabilities contracted in the war. There was no system of vocational training to open up a hopeful calling or career for him. There was no system of pecuniary compensation to supply his material wants. His only bonus was an artificial limb.

But, exalted by the perils that he had faced and the sacrifices that he had made, he possessed, in his just belief that he had done his full duty as a soldier, a spiritual treasure, and in the gratitude of his neighbors a spiritual requital, that disdained pecuniary valuation. If he had exhibited conspicuous gallantry in battle, parents pointed him out on the street to their children. "There goes a brave soldier!" How often in my boyhood did I hear those simple words and feel my whole nature uplifted as I heard them. If he had a wound he needed no other decoration; no ribbon or cross could honor him as he was honored by the scar impressed by bayonet, bullet, or shell upon his manly face, chest, or limbs. Randolph Barton, of Baltimore, who served on the staff of Gen. Thomas J. Jackson during the Civil War, went down to his grave a short time ago with seven such scars upon his body. Wherever such a soldier went the public eye rested upon him fondly, proudly—yea, exultantly.

How any able-bodied descendant of any one of these men who might occupy such a place as this in his own and the public respect, could exchange it for a cash bonus wrung by persevering importunity from the overtaxed resources of his fellow citizens is more than I, at any rate, can understand.

The only satisfaction that I can derive from the proposed Federal bonus is found in the thought that it may give the people of the United States a new sense of the importance of devising some international plan by which war may be brought to an end altogether. No people can afford to go to war if to the frightful bloodshed and waste of treasure that war always involves is to be added vast pecuniary burdens, selfishly imposed upon them by their own soldiers. Under such conditions the task of defending themselves against their defenders becomes only less arduous than that of defending themselves against their enemies. The bonuses that the sponsors of the Federal soldiers' bonus have already obtained from many States of the Union will for years, even if not duplicated by a Federal bonus, hang like millstones around the necks of those States, swelling taxation, discouraging productive enterprise, and checking beneficent schemes for the promotion of the public welfare. The day will come when they will be rued as bitterly as eras of reckless expenditure in the field of internal improvements have been by more than one American Commonwealth. But give full national recognition to the commercial principle on which those bonuses are based and the economic consequences of such an act, bad as they might be, would be of only secondary significance in comparison with the moral. A soldiery which has no better standard of compensation than the tumid wage of the overpaid civilian worker in time of war is a soldiery that has lost the best part of a true soldier. "All my wealth ran in my veins," Shakespeare makes one of his high-born characters say; and that is the spirit in which every truly patriotic soldier should regard the pecuniary side of his function. On the other hand, statesmanship, if it found itself at the mercy of a mercenary soldiery, would have little choice except to avert war by any means short of actual dishonor. In the United States it might well decide to put up with a far greater degree of national indignity and insult than it has been our wont to brook, and who knows but that as time went on and its outlook, like that of the soldier, became more and more highly commercialized, it might reach the conclusion that with such a stupendous sum as \$5,000,000,000 it could buy off for a breathing space at any rate any foe of the Republic, however formidable, as the Roman bought off the Gaul, or the Saxon the Dane; and thereby at least save the effusion of blood altogether.

Mr. ASHURST. May I interrupt the Senator again?

Mr. BRUCE. Certainly.

Mr. ASHURST. The Senator has spoken of the Romans buying off the Gauls. The Gauls and Goths never overcame the Roman Empire because of the external strength that the Gauls and Goths possessed. It was only when the Roman patricians themselves, through their debaucheries, through their hammering down of the common people, taxing the rich man little and the poor man much, made life for the common people so distressful that the common man was glad the Gauls and Goths came to rescue him from the tyrannies of the Roman tyrants. It was the internal corruption and injustice of the system that the Roman Empire practiced that caused the Gauls and Goths to make the invasion and convinced them they could successfully make it, and the historians say that the common people of the Roman Empire said, as the Gauls and Vandals approached, "Come and take us. Our condition could not be worse than it is under the Roman tyranny."

Mr. BRUCE. That is not my reading of Roman history.

Mr. ASHURST. The Senator has made some copious contributions to history, and only recently I have had the pleasure of reading one of them; but it seems he has not explored far enough into the histories to perceive the correctness of what I have said.

Mr. BRUCE. After such a handsome compliment as that the Senator completely deprives me of any capacity for effective retaliation.

My recollection is that the Gaul, long before the real decadence of Rome, penetrated even the Roman citadel and that the gross indignity inflicted by him upon the Roman name was followed by a patriotic movement that rid Italy, for a time at least, of him.

No; not only might \$5,000,000,000 perhaps be employed to advantage in the manner that I have pointed out, but who knows but that the World War itself might have been averted altogether if our allies, with our aid, had raised such a sum as \$5,000,000,000 and proffered it on bended knee to the Kaiser.

Mr. ASHURST. Mr. President—

The PRESIDING OFFICER. Does the Senator from Maryland again yield to the Senator from Arizona?

Mr. BRUCE. I yield.

Mr. ASHURST. The Senator's logic is this, that we once stood in the position of being required to pay a sum of money; to wit, to pay \$5,000,000,000 to the Kaiser to not come over here, or to pay \$5,000,000,000 to the soldiers of the United States to go over and defeat the Kaiser's soldiers. If it must be paid at all, I prefer to pay it to the soldiers of the United States.

Mr. BRUCE. So do I; but if bonus after bonus is to be imposed upon us by our own soldiers in future wars, then under such humiliating circumstances American statesmanship, I was suggesting in my bitterness, might ask whether it would not be better for us to buy off than to fight the foes of the Republic.

But away with such thoughts! Let them perish in the same grave as this squalid and odious gratuity. Until hope shall have actually been smothered by despair I shall continue to believe that the view that this Congress will heed is that of the World War soldier who deems the bonus an opprobrious reproach to his military pride and devotion and that of the great mass of the American taxpayers, to whom it has almost the meaning of another impending war.

Mr. CARAWAY. Mr. President, the Senator from Maryland, who has just yielded the floor, with all the invective of which he is master assails the ex-service men who have dared to say that they believed that they were as much entitled to consideration at the hands of the Government that they offered to die to save as were the profiteers who stayed at home and plundered the Government. If I understood his argument—and I am sure I did—it was an expressed fear, an announced conviction, that the ex-service men were coming back here to destroy the Government, and that it was the duty of the Senate, and one that the Senator from Maryland was going to discharge with great pleasure, to resist any effort that might be made to satisfy what some of them think is their just demand. In other words, the Senator from Maryland is sure that the man who stayed at home and robbed the wives and mothers and dependents of the soldiers who went abroad to fight for America were entirely to be commended, and their rights should be protected, while the soldiers who served in the Army and Navy are to be condemned and their rights spurned. His argument can mean nothing else.

Oh, I know, Mr. President, that men like Jack Dempsey, who went into the shipyards instead of the trenches, who did all their fighting in the prize ring and none of it on the battle fields, got a bonus. As I now recall, Jack Dempsey got about \$14 a day for staying in a place of safety, and now there is an opportunity for the Senate to go on record either to protect him and his great wealth which he has since acquired as a

prize fighter, or to do partial justice to the soldiers who took his place in France. The Senator from Maryland wants to be counted among the first to defend the Jack Dempseys and the other men who stayed out of the trenches, and to condemn with all the odium that language can convey the soldiers who were willing to die in order that he and his children after him might enjoy liberty.

Mr. President, the Senator says a bonus is an odious thing. Do not let us call it by that term. I know and everybody who is at all familiar with the history of this Government knows that every man who stayed at home and engaged in civil occupations while the war was being waged received a bonus, an adjusted compensation; that their wages were raised from \$1.50 and \$2 to \$3, \$4, \$5, \$6, \$7, \$8, \$9, and even \$10 a day. Good men who, like Jack Dempsey, had never before done a day's work in their lives received \$14 a day. Nobody complained. I know that soldiers who escaped actual military duty and were assigned to do some kind of civil service, such as constructing highways or producing lumber in Oregon, got civilian's pay, which was raised from month to month while the war went on. They got \$7, \$8, \$9, and even \$10 a day and nobody complained. The cost of living rose, and the profiteers got high profits. People thought they ought to be compelled, therefore, to contribute something in the caring for other people and to pay wages somewhat commensurate with conditions.

The soldier gave up every dream he had, abandoned his ambitions and his hopes, went 4,000 miles beyond the sea, and a hundred thousand of them from battle wounds or disease laid down their lives, and a quarter of a million now walk the streets of every town and city in America worse than dead, physical and mental wrecks—did it all on \$1 a day, and out of that we required him to contribute to the support of his wife and children at home, instead of doing what we ought to have done and laid our hands upon the selfish wealth of America and made its owners care for the wives and children of the soldiers.

Oh, Mr. President, the Senator from Maryland was not at all concerned when the railroads of this country demanded a bonus of \$1,800,000,000 from the American taxpayer.

Mr. McKELLAR. And got it.

Mr. CARAWAY. And got it. I remember how concerned the Senator from Maryland was that that "holy of holies," the Esch-Cummins law, might be perpetuated and therefore switched his vote so that the Senator from South Carolina [Mr. SMITH], a member of his own party, might not be elected chairman of the Interstate Commerce Committee, for fear that they might lay hands upon the high rates of the railroads of America. The Senator from Maryland was quoted in the public press at that time as saying that he was not going to give reign to the radicals in America. Oh, how sacred dollars are, and how cheap and how much to be spurned are human life and human blood! Since I have been a Member of the Senate, Mr. President, I have never—

Mr. McKELLAR. Before the Senator from Maryland goes out—and I see he is leaving the Chamber—I should like to make a statement.

Mr. CARAWAY. I should certainly like to have the Senator remain, but I do not blame him for not doing so.

Mr. McKELLAR. The Senator from Maryland also defended the profiteers in his speech while the Senator from Arkansas, I think, was out for a few moments.

Mr. CARAWAY. Of course; and he talked about the sacred Mellon plan, which ought to be spelled with one "l" instead of two. I remember that sordid editorial in the Saturday Evening Post which was entitled "Cut yourself a piece of cake." Its substance was, "If you have been a profiteer, why, God bless your soul, keep the gains which you have made; do not let those who offered to die for you get their sordid hands in the Treasury of the United States, because this is your gold and you are entitled to keep it. Let the men who had little enough sense to go out and stand knee-deep in the mud and blood of France remain paupers all the days of their lives; we sacred American citizens who stayed at home and robbed the orphans and the widows—why, God bless your soul, we have the gold, and let us keep these frightful marauders, the soldiers of America, from getting any adjusted compensation."

I do not purpose, Mr. President, so long as I sit in this body to hear denounced as men who are threatening the life of America the ex-service men simply because they ask that their total compensation for their years of service in the Army shall be \$2 a day. It is not the fact, and no man who has a proper consideration for the blood and brawn of America will denounce the soldiers as threatening the life of America, in order to defend the interest of profiteers who want further to rob the people of America.

There is a time, Mr. President, when Senators are not going to sit still and hear such charges as that made in the Senate. I voted for war and I did so, so help me Almighty God, because I believed when these American sons of ours should have made the sacrifice that we expected them to make and won the victories that we knew they would win that there was going to be an end of war, but the selfish interests in America and Europe made their sacrifice in vain. They made their part of that bargain between high Heaven and the mothers and fathers and boys of America good by offering to die, and many of them did die—and more than 30,000 of them yet sleep, Mr. President, in foreign soil and will sleep there until time shall be no more—in carrying out their part of this contract. But the people who love money more than honor, who love wealth more than America, defeated the ends for which they died. So the soldiers made their sacrifices in vain, and now a tongue is found on the floor of the Senate to denounce them and their comrades because they come back here and say, "We believe that our services entitle us to a better wage." I can not sit still and hear it.

Mr. BROOKHART. Mr. President, I rose a moment ago because I did not think the character of speech which has been made in reference to the American Legion and the American soldier should go without challenge. I wish to thank the Senator from Arkansas [Mr. CARAWAY] for every word that he has uttered. He has described the situation accurately and justly. The reply which he has made is most fitting for this occasion.

I wish to supplement that by saying that I believe a large part of the opposition to the soldiers' bonus is in support of the so-called Mellon plan. I believe the statement of Colonel Miller that the figures have been juggled to bring that about is correct, and I have in my possession something relating to the propaganda that is going out over the country upon this subject which I ask unanimous consent to have inserted in the RECORD at this point.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it will be placed in the RECORD.

The matter referred to is as follows:

NATIONAL FOUNDERS ASSOCIATION,  
Chicago, February 14, 1924.

TO MEMBERS OF NATIONAL FOUNDERS ASSOCIATION:

(Weekly letter No. 312.)

BUSINESS MEN SHOULD MAKE STRAIGHTFORWARD EDUCATIONAL CAMPAIGN.

We intended this week to give an excerpt from a letter from Mr. James F. Powell, publisher The Ottumwa Courier, Ottumwa, Iowa, but, on rereading the correspondence we feel it is of such great importance as to merit printing in full. The letter to ourselves is as follows:

"I am inclosing a copy of a letter that I wrote several weeks ago in reply to a letter we had received from several different advertising agencies.

"I told them that the letters that were being gotten out by them, and the business men who are their clients, were simply defeating the very purpose they were trying to attain. Business men should realize that it is necessary for them to make plain, straightforward educational assertions, instead of requests or commands that do not carry with them any reasons why their requests should be carried out.

"The great need of this time is educational statements and reasons by responsible people. They should be given in signed statements and in talks to the people they want to educate—not orders to employees.

"By putting these things in the form of letters and in public statements they have given the demagogue the strangle hold on them and are defeating themselves.

"If you will look in the CONGRESSIONAL RECORD of Monday, January 21, 1924, at the middle of the second column on page 1185, and at the bottom of the second column of page 1186 you will see that the letters have been used exactly as I predicted they would be.

"We need now such an educational campaign of speech making as was carried on by the business men in 1896. We need a speaking campaign."

This is the letter referred to by Mr. Powell:

"Within the last week we have received from a number of advertising agencies letters stating that many of the large business firms that are clients of those agencies have asked the agencies to write to the newspapers urging the newspapers to advocate the adoption by Congress of the Mellon tax-reduction plan.

"The Ottumwa Courier is advocating the adoption of that plan with all the emphasis that it can, but the thing that is needed now in this country is for the officials of the big business institutions to do something to help protect themselves and in protecting them-

selves to protect the prosperity of the country. It is one of the infirmities of the present time that the man who represents a worthwhile business thinks that his advocacy of a measure makes the mass of the people prejudiced against that measure. If he is right about that then he is to blame because he does not, over his own signature, give his reasons for the position he has taken.

"If there ever was a time when the responsible man should come out in the clear and open and give his reasons for the position he is taking on this Mellon plan, it is right now. The people are groping in the dark, and will welcome some plain logical statements from responsible business men.

"Twenty-five or thirty of the largest business organizations ought to have the moral courage to each write a statement of its reasons for advocating the Mellon tax-reduction plan; then the president, vice president, secretary, treasurer, and board of directors should sign their statement, and say they are signing it because their judgment and business experience makes them feel that it is for the best interests of all. Say it in language so bold and direct that the very straightforwardness knocks the demagogue off his pins. If they will show that they have the courage to do that, they will eliminate a lot of prejudice against successful businesses. The American people love to follow the man who has the courage to step out from the crowd and say, 'I am the man who ordered that done'; and it is right that it should be done and done in that way.

"A lot of these firms should set out in a plain, blunt way their reasons why they believe this tax reduction should and will work toward expanding and increasing business opportunities for young men, and why continued high taxes will restrict that expansion and opportunity. Then buy space in the newspapers and print those statements. Say it as if they meant it—bold and clear—and the public will immediately respond to such courage and common sense. If a number of big firms will each get out statements like I have spoken of above, sign them, and get them printed in advertising space in the representative newspapers of this country, they will be doing a great constructive service for the Government.

"Such letters as the agencies are sending to the newspapers get in the hands of the Brookharts, La Follettes, Johnsons, etc., and they hold them up in the Halls of Congress, shake them above their heads, and yell about how big business dictates to the 'kept press.' Such letters aid the demagogue to discredit the newspapers' effort to bring out the facts.

"If the automobile concerns, the American Tobacco Co., the Standard Oil companies, the United States Steel, the railroads, would each get out a signed separate statement like I have referred to above, and say right in that statement, in the last paragraph above their signatures, that they are printing this because it is a sensible view to take, and it is the constructive view to take, irrespective of the demagogues that are yelping at their heels, they will answer in that statement all of the arguments that these demagogues can make. The big and successful business institutions have it within their power to get the collective mind of this country on a mental balance, if they will have the moral courage to stand right out in the open and say what they believe and sign their names to it. Because they have not done so in the past is the very reason that these demagogues have got the upper hand of the mass of the people who, you know as well as I do, never study beyond the surface at all.

"In 1896, under the leadership of Mark Hanna, the business interests of the country boldly stepped out in the open and exploded the free-silver fallacy. With the good results of that educational campaign in mind, I ask you to submit to your clients this question, 'Is not this the time for similar action?'"

Very truly yours,

WILLIAM H. BARR, *President.*

Mr. BROOKHART. Mr. President, I desire to call special attention to one or two of the paragraphs in this letter. It comes from an editor in my State who always serves the predatory interests of this country. He can always be found on that side of every economic question. He is one of those who believe that a soldier should fight for the economic rights of the rich and then have no voice in the economic result of the war; he is one of those who go back to the days of feudalism, when the soldier attached to the feudal lord served that lord for no pay whatsoever, and, if the result of the war was an acquisition of territory or some other loot of war, it accrued all to his feudal lord. Those ideas have come down through all our wars. To a great extent the same economic idea has always prevailed, that the soldier should serve without pay or with very little pay.

I do not believe in that theory. I do not believe in that as the spirit of Americanism; and this editor, in order to support his plan of defeating the soldiers' bonus, has joined in a system of advice and organization for the adoption of the Mellon plan. Here is a paragraph from his letter. He says:

Within the last week we have received from a number of advertising agencies letters stating that many of the large business firms that are clients of those agencies have asked the agencies to write to the newspapers urging the newspapers to advocate the adoption by Congress of the Mellon tax-reduction plan.

This editor is not satisfied with that situation, and he wants to have something to say about how that propaganda will be promoted. He says further:

Such letters as the agencies are sending to the newspapers get in the hands of the Brookharts, La Follettes, Johnsons, etc., and they hold them up in the Halls of Congress, shake them above their heads, and yell about how big business dictates to the "kept press." Such letters aid the demagogue to discredit the newspapers' effort to bring out the facts.

This letter is sent out as a course of instruction to the members of the National Founders' Association. It was sent out on February 14, 1924.

This editor is not satisfied with these advertising agencies simply calling upon the newspapers to advocate the Mellon plan. He says further:

If the automobile concerns, the American Tobacco Co., the Standard Oil companies, the United States Steel, the railroads, would each get out a signed separate statement like I have referred to above, and say right in that statement, in the last paragraph above their signatures, that they are printing this because it is a sensible view to take, and it is the constructive view to take, irrespective of the demagogues that are yelping at their heels, they will answer in that statement all of the arguments that these demagogues can make.

This particular type of editor is looking out for more advertising. He is looking out for more returns in his scheme of propaganda; and through this system of organization he expects first to secure the enactment of the Mellon tax-reduction plan, and that will foreclose any attempt to grant the soldiers a bonus or adjusted compensation.

Mr. President, this organization is nation-wide. There are some soldiers in it. There are some members of the American Legion who belong to the predatory interests of this country. There are some members of the Legion who think more of the war profits of their fathers than they think of the support of their comrades in arms. Those are the members of the Legion who are organizing to defeat the soldiers' bonus, those of that character and of that attitude, and we must be warned against them.

I resent the imputation that 4,000,000 soldiers must go into a war caused by economic strife in this world and yet have nothing to say and no share to take in the economic results of that war. I can find you, as a result of the profits of any one year of that war, more than a just share of excess profits. I can find enough in any one year to more than pay all the bonus to these 4,000,000 soldiers. I say to you that as long as we will draft 4,000,000 men to go out and give their lives, if need be, for their country, and at the same time turn loose some 23,000 other men to make millions out of the blood money of war, I will vote for compensation, adjusted compensation, pensions, and every other reward for the soldier who risked his life.

Mr. HARRIS. Mr. President, the Senator from Iowa [Mr. BROOKHART] called attention to the propaganda in regard to the Mellon bill. The other day I called to the attention of the chairman of the committee dealing with this subject the propaganda of the Literary Digest.

I am in receipt of a letter from a prominent official in Knoxville, Tenn., in which he calls attention to the propaganda in the moving-picture shows for the Mellon bill. He says:

Long before Mr. GARNER or anyone else had spoken about the Mellon bill, the moving-picture shows in our city—

And I have heard the same thing from other cities—

and of course in others were flashing upon the screen the big watermelon that was being sliced by Mr. Mellon and indorsed by President Coolidge. Who paid this bill in the movies?

I hope the Senator from Iowa will give the information he has to the Senator from New Hampshire [Mr. MOSES], the chairman of that committee, so that he can call them here when the committee investigates this propaganda.

Mr. HEFLIN. Mr. President, I share the sentiments expressed by the Senator from Arkansas [Mr. CARAWAY], and the sentiment regarding adjusted compensation expressed by the Senator from Iowa [Mr. BROOKHART].

I announced on this floor in 1921 that so long as I was a member of this body I would resent attacks made here upon

the ex-service men, and denounce the characterization of them as being men who were trying to capitalize their patriotism. I regret that the speech of the Senator from Maryland [Mr. BRUCE] was made in this chamber. Portions of it can not be defended from any viewpoint.

When these boys were summoned to the battle line on foreign soil, they gave up everything, and they offered their lives for their country. They were not rich men. Not very many of them were sons of rich men. Some of them were, and they made fine, brave soldiers. When these boys came back from the war they found their country in the midst of a panic. They could not find employment, and many of them really suffered for the necessities of life. They were discharged from service in the Army and the dollar a day that they were then getting was withdrawn, and they were turned loose in a country panic stricken, brought on at the instance of the money kings of the United States. The currency had been contracted and credits deflated. They deflated credits to the extent of \$2,500,000,000 and contracted the currency to the extent of \$928,000,000. This inexcusable onslaught on the country's currency and credits literally paralyzed the body of business. While that was going on, Mr. President, I saw a Republican Congress vote to take off the profiteers \$450,000,000; \$90,000,000 were taken off the big surtax payers of the country, or a total of \$540,000,000; and if that money had been collected to this hour we would have had an ample sum to pay these boys adjusted compensation; they would have been satisfied, and all would have been well with them.

Mr. McKELLAR. Mr. President—

Mr. HEFLIN. I yield to my friend from Tennessee.

Mr. McKELLAR. The Senator overlooks the \$700,000,000 that the war profiteers got out of Congress immediately after the war, and which war profiteers the Senator from Maryland [Mr. BRUCE] so eloquently defended a few moments ago. He thought it was all right for war profiteers to come to Congress and get what they demanded; but when the soldiers come—soldiers who got a dollar a day—he regards it as a great conspiracy against the Government itself. Oh, yes; he denounces the soldiers, but in the same speech he defends the war profiteers.

Mr. HEFLIN. I thank the Senator from Tennessee for that suggestion. I recall that very well. Seven hundred million dollars were paid to these men in the twinkling of an eye; \$450,000,000 in taxes annually were taken off the profiteers; \$90,000,000 the big surtax payers got taken off; and all the while the World War soldiers were here at the Capitol asking to have their claims adjusted by the Government that they had dared to fight for, and offered to die for.

I recall that, Mr. President, and I recall how these organizations that oppose adjusted compensation commenced to form, to start their propaganda against a bonus. I remember how the Republican leaders were saying: "We are going to give you a bonus or adjusted compensation a little later on. Wait; wait; wait." In the meantime the propaganda with big money behind it was on strong to defeat adjusted compensation. I recall all that. They had broken faith with the American soldier, and now they denounce him and repudiate him for daring to ask his Government to pass judgment on his claim, as he expresses the conviction that he has not been paid enough for the service he rendered in the great World War.

These speeches as a rule are not made except by men who are themselves immensely rich. They are wonderfully blessed with a large share of this world's goods, and most of them inherited it. Now they can stand back and put their thumbs in the armholes of their vests and, in pompous fashion, say: "The American soldier is trying to capitalize his patriotism." Not so. Braver soldier never shouldered gun or drew a battle blade. He answered the call of his country and was willing to die for it, while the profiteers back at home were growing rich at the expense of the Government.

They did as the Senator from Tennessee has said; they made millions; they made hundreds of millions; yes, and they made billions during the war. Then after it was over, as the Senator from Tennessee pointed out the other day, the du Pont people came and got still more, \$21,000,000 through an arrangement provided by the Republican Congress. They were not satisfied with the settlement they had had before. They did not say to the Government: "You have already been strained to the breaking point, and we are willing to call it square because you expended millions and millions with us, and we charged you profits sky-high;" not at all. They came up and said: "We want the pound of flesh, and we are going to have it;" and a Republican Congress cut it out for them.

Mr. McKELLAR. Mr. President—

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Tennessee?

Mr. HEFLIN. I yield to my friend from Tennessee.

Mr. McKELLAR. And then, after they got that pound of flesh, here come all of them, led by Mr. du Pont, one of the greatest of all the profiteers during the war, and they are writing letters to every Senator, and perhaps to every Congressman, to get them to vote against a like readjusted compensation for the soldiers.

Mr. HEFLIN. Yes; that is what they are doing. Now and then they have somebody prepare a long speech attacking adjusted compensation, and they are not content with simply opposing the principle involved but they bitterly criticize and denounce the soldier, and I do not intend to submit to it. I speak for these boys who were called, in part, by my vote to the service of the flag. I was for them when we called them to the colors. I was for them on the battle fields of France. I am for them now, and I will be for them and feel grateful to them as long as I live. God bless them. I pray that I may never prove recreant in my obligations to them. Many of them did not have much financial wealth back of them, but they went where their country called and offered all they had, and now they come back and see men who became millionaires during the war profiteering on their country, 3,000 miles removed from danger, away back behind the lines and across the sea, over here holding up their Government, making money out of its distress and misfortune because of the war, and these boys come back and say, "You paid me only a dollar a day, but I had to use a part of that to help my loved ones, to support them back at home, while I was over there offering to die day by day for my country."

Mr. McKELLAR. Will the Senator yield again?

Mr. HEFLIN. I yield to the Senator.

Mr. McKELLAR. As I recall—the Senator may correct me if I am wrong—in the debates that occurred on this bill in previous Congresses no one actually opposed it. Those who spoke against it wanted to postpone it, so far as I now recall; if I am in error in my memory, I hope the Senator will correct me. The Senator from Maryland is the first and only Senator who denounced the soldier, and who declared that he was a menace to this Republic.

Mr. HEFLIN. I remember two or three speeches that have rather strongly criticized the soldier for the position he took in asking for adjusted compensation, but I have not heard anyone criticize him quite as caustically as has the Senator from Maryland [Mr. BRUCE].

Mr. COPELAND. Mr. President—

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from New York?

Mr. HEFLIN. I gladly yield to my friend from New York.

Mr. COPELAND. Does not the Senator think it is time that the Senate and the country, too, should have a statement from the Finance Committee of exactly what the cost of the bonus would be? It hurts me when I hear public men in addresses talking about it costing four or five billion dollars, and even the President of the United States the other day in an address in New York stated that the cost would probably be five and a half billion. It is not necessary to spend any such amount as that.

Mr. HEFLIN. Nothing like that amount.

Mr. COPELAND. I believe that a cash bonus, if I can multiply—and I can even divide, which is more than the bankers of this country can do—can be paid every man who served at a cost of less than a billion and a half and a carrying charge, including payment on principal, of less than \$100,000,000 a year. We hear these statements, and I have just made one, but I think it is time that the Finance Committee gave us a report upon the bonus bills which are pending in order that the country may have the truth and not have these exaggerated statements which are bandied about by men in New York to sandbag the soldiers' bonus in an attempt to carry through the Mellon bonus. I believe the Senator will agree with me, and I should like to ask if he does not.

Mr. HEFLIN. I do, Mr. President. I think it is a very timely suggestion that the able Senator from New York has made. I think the Finance Committee should really give us a statement along this line and let us know just what in their judgment the amount would be.

Mr. OWEN. Mr. President—

Mr. HEFLIN. I yield to my friend from Oklahoma.

Mr. OWEN. I wish to call the attention of the Senator to the generous manner in which the Congress of the United States and the Government of the United States dealt with the British taxpayers in extending the loan over sixty-odd years, with an amortization plan; that there is no sound reason why the same

treatment should not be accorded the taxpayers of the United States, and extend at least a substantial portion of this war cost over a like term, with an amortization plan. If that were done, the amount necessary to pay this bonus could be easily raised, and the future annual tax under the amortization plan would be around \$100,000,000 a year and would do this country no harm at all.

On the other hand, I remind the Senator that the so-called deflation policy, which so severely constricted credits in this country as to bankrupt large sections of the country and which did great and almost irrevocable harm to those who labor in America, in the country and in stock raising, would be measurably offset by the expansion due to the payment of this bonus and paying it now. I myself supported the President's veto before because of the representations of the Treasury that we were facing a deficit of over \$600,000,000 and that there was no provision made in the body of the bill to provide for the payment; but no such situation exists now.

Mr. McKELLAR. With the permission of the Senator from Alabama, will the Senator from Oklahoma yield?

Mr. OWEN. I yield.

Mr. McKELLAR. The Senator has stated that he voted to sustain the President's veto of the bonus bill under representations made by the Secretary of the Treasury as to the condition of the Treasury.

Mr. OWEN. That is correct.

Mr. McKELLAR. It turns out that instead of the Secretary of the Treasury, Mr. Mellon, being correct in his estimate at that time, he was just \$900,000,000 wrong. The Senator is not going to follow the Secretary any more, is he?

Mr. OWEN. I discovered his error later, I advise the Senator, and it has had a substantial effect upon my making up my mind now.

Mr. McKELLAR. I am very glad to hear it.

Mr. OWEN. But I wanted to call attention to the ease with which the amortization principle can be applied in the same way that it is being applied for the benefit of the British taxpayers.

Mr. HEFLIN. I thank the Senator for his suggestion. I have already thought that with the insurance feature, the land-grant feature, that the cash settlement of adjusted compensation would not require quite a billion and a half dollars in all.

Mr. President, the Senator from Maryland [Mr. BRUCE] has spoken about the unprecedented prosperity in this country. One trouble with some of our Representatives in Congress is that they do not seem to know what the situation is with large groups or sections of our people. I want to say for the benefit of the Senator from Maryland that the whole Northwest of the United States is nearly, if not quite, bankrupt, and I want to say to him that the farmers in the South are in great financial distress, they are in debt, and that it will take them five years to get out of debt and get back on their feet to where they were when the panic of 1920 and 1921 was upon them.

Their sons are involved in the plea for adjusted compensation. The sons of the western farmers are involved. Their fathers and mothers are in distress, gripped by the bondage of debt, with banks breaking all around them, business failures all about, crops selling below the cost of production, and their sons asking, "Will you not adjust my claim, and see whether or not you think that a dollar a day was enough for me while I was away offering to die for you and yours?" You paid Mr. Du Pont the \$21,000,000 he asked, after you had already settled with him. You paid the war material men, many of them on questionable contracts, \$700,000,000. You took off of the profiteers the most equitable tax ever levied, \$450,000,000 a year. You took off of the big income-tax payers \$90,000,000 a year. Will you not hear me? I offered my service, my life—all I had for our country. My parents are in distress. The home in which they live is mortgaged. The farm itself is covered with a mortgage. We are about to lose it all. Will you not hear me?"

Then somebody stands up and denounces him as being a man who would capitalize his patriotism. The Senator from Maryland says you can not compensate these men for their service out of the Treasury. No; you can not. If I were to vote for what I believe would be just wages or compensation for them in risking their lives on the battle front in France it would take many billions of dollars to in any way square the account. It can not be measured in money. If I were to leave it to some of these gentlemen who so vehemently fight adjusted compensation to say what they would charge to go out there on the battle front in France and spend one hour in no man's land, the Government could not pay the price they would name in a hundred years.

Mr. McKELLAR. Mr. President—

Mr. HEFLIN. I gladly yield to the Senator.

Mr. McKELLAR. Then what does the Senator suppose they would have charged for undertaking the risk of even going over to France through German-submarine infested seas? Does the Senator suppose many of them—nay, does he suppose that any of them—would have had the courage even to make the trip under those conditions?

Mr. HEFLIN. The Senator asks me for a frank answer. I think it would have required physical force to put them on the ship. [Laughter in the galleries.]

Mr. McKELLAR. I am quite sure the Senator is right.

Mr. HEFLIN. And after you got them over there, and they had shown them no man's land, where not a sprig of grass could live, where shot and shell were raining in fury all around—if you had said to them "Charge the German line," the one to whom you spoke would have said: "I am sick unto death; take me to the nearest hospital right now."

Mr. ASHURST. Mr. President, in other words, the Senator makes the point that a lot of these gentlemen—not in the Senate—who oppose the bonus are invincible in peace, invisible in war?

Mr. HEFLIN. Absolutely; invincible in peace and invisible in war is right. Mr. President, I think that if some of them had gone over there it would have been like the situation with some of our negro troops when a bulletin passed down the line late one afternoon saying, "In the morning 20,000 negro troops, backed by 50,000 French soldiers, will go over the top." One of the negroes grinned and said, "Do you know how that bulletin is gwine to read to-morrow afternoon? It's gwine to say, 'Fifty thousand French soldiers tromped to death by 20,000 niggers.'" [Laughter.]

Now, these gentlemen, these long-distance champions of the ex-service man, tell about how proud he ought to be when he is starving and wanting bread, tell how he ought to spurn the suggestion of adjusted compensation, when he has nowhere to lay his head, tell him that he ought not to listen to those who would tell him that he has a right to ask his Government for a just and fair settlement, the Government which he served and for which he offered to die.

Mr. President, I want to remind the Senator from Maryland and all the others who may see fit to assail these boys that the Kaiser, out back of his line on the battle fields of France, said, "If we win this war, we are going to collect \$40,000,000,000 indemnity from the United States."

I want to remind the Senator from Maryland that the experts within the allied lines, the British especially, and some of the French military masters, said: "This war can not be ended in less time than two years and a half," and I want to remind him that in less than eight months' time from that day these American troops stormed the German lines, beat back their soldiers, struck the decisive blow, ended the war in victory, and brought that flag back home covered all over with the glory of their valor.

They saved their own country, speedily ending the war, and saved \$15,000,000,000 in further cost at least. They saved their own country by winning the war the \$40,000,000,000 indemnity that the Kaiser had said he would collect. There is \$55,000,000,000 saved by those boys, thousands of them without much personal financial wealth back of them at home; but, thank God, they had that which is worth more than all the gold of the world—they had manly, brave, sterling manhood, and the courage which constitutes the real wealth of a nation.

Mr. President, when I hear them assailed now I feel like I ought to say a word in their behalf, not that they need anybody to defend their record, but I want them to know that there are those here who voted to call them into the service, who sent them across the sea, who are for them now, and are demanding a fair deal for them—adjusted compensation for them—and that there are those here who do not feel when they are asking for adjusted compensation that they are doing anything wrong, but that they are entirely within their rights when they ask the Government that they love so well and served so well to grant them adjusted compensation.

Mr. President, I felt like saying that much for the brave boys who served and saved their country in the hour of its peril.

#### SALARIES IN THE VETERANS' BUREAU.

The PRESIDENT pro tempore laid before the Senate a communication from the Director of the United States Veterans' Bureau, transmitting, pursuant to law, a statement showing by location, salary range, and bureau designation employees receiving an aggregate annual salary of \$2,000 and over as of

February 1, 1924, for the central office, and as of January 1, 1924, for the field, which was referred to the Committee on Appropriations.

#### DISPOSITION OF USELESS PAPERS.

The PRESIDENT pro tempore laid before the Senate a communication from the secretary of the United States Civil Service Commission, transmitting, pursuant to law, a list of useless papers, documents, etc., in the offices of the secretaries of the several civil service districts, with the exception of the thirteenth district, not needed in the transaction of business and having no permanent value or historical interest, and asking for action looking to their disposition, which was referred to a Joint Select Committee on the Disposition of Useless Papers in the Executive Departments. The President pro tempore appointed Mr. STANFIELD and Mr. MCKELAR members of the committee on the part of the Senate, and ordered that the Secretary notify the House of Representatives thereof.

#### CONDOLENCES ON DEATH OF FORMER PRESIDENT WILSON.

The PRESIDENT pro tempore laid before the Senate a cablegram from the President of the Fourth Greek National Assembly of Athens, Greece, on behalf of the Greek Government, containing a message of sympathy on the death of former President Woodrow Wilson, which was ordered to lie on the table and to be printed in the RECORD, as follows:

ATHENS, February 14, 1924.

THE SENATE, UNITED STATES OF AMERICA,

Washington:

The Fourth Greek National Assembly, on the motion of the Prime Minister, Mr. George Cafandarlis, has unanimously empowered me to convey to you the assembly's profound sorrow at the death of ex-President Woodrow Wilson, whose commanding personality exercised the greatest influence in behalf of the eternal principles of democracy and international justice during the World War as well as at the final peace settlement. The Greek people, actuated by sincere feelings of gratitude and admiration for his work, desire to associate themselves with the sorrow of the American Nation over the loss of so eminent an apostle of the loftiest political ideals.

C. D. RACTIVAN, *The President.*

#### THE LATE DR. FRANCIS HOLLEY.

Mr. OWEN. Mr. President, I submit for the RECORD a resolution of the Motion Picture Theater Owners of America testifying to the worth of Dr. Francis Holley, one of the most useful and unselfish of men, whose services will be long remembered in America, especially his work in founding the Bureau of Commercial Economics. The nobility and disinterestedness of this man sets a high standard fully deserving the commendation bestowed.

The PRESIDENT pro tempore. In the absence of objection, the resolutions will be printed in the RECORD.

The resolutions are as follows:

MOTION PICTURE THEATER OWNERS OF AMERICA,

New York City.

Resolution adopted at meeting of the board of directors on the death of Dr. Francis Holley.

Whereas the inevitable swing of the pendulum of time brought our beloved friend Dr. Francis Holley the dread summons to which all humankind must some day respond, his death occurring at the Mayo hospital December 12, 1923, in Rochester, Minn., after an extended illness, attended by many painful situations; and

Whereas during the past three years he has been untiring in his efforts to advance the cause of the theater owners through his wonderful personal efforts, the Bureau of Commercial Economics at Washington, of which he was the executive head, and in many other ways, greatly to the advantage of our organization, the theater owners of the United States and the motion-picture industry generally.

Resolved, by the members of the board of directors of the Motion Picture Theater Owners of America, in session assembled at the national headquarters in New York City, Tuesday, January 15, 1924, That while we bow to the will of the higher power which shapes and determines human destiny, we deeply deplore the death of Doctor Holley, realizing that in his passing from this sphere of activity the Nation has lost one of its most useful citizens, whose advanced thoughts and practical actions always led the way to better things for all the people, his associates, a sincere and lovable friend and companion, and our organization and the motion-picture industry a champion of the indomitable kind whose mind was ever alert and hands ever raised in defense of our position.

Resolved, That a copy of these resolutions be sent to the Bureau of Commercial Economics at Washington, spread upon the minutes of this meeting and given to the press.

#### PETITIONS AND MEMORIALS.

The PRESIDENT pro tempore laid before the Senate a memorial of Loggia Beatrice Cenci No. 1207, of the Order of the Sons of Italy in America, of Elizabeth, N. J., remonstrating against the passage of the so-called Johnson restrictive immigration bill, as being discriminatory, etc., which was referred to the Committee on Immigration.

The PRESIDENT pro tempore also laid before the Senate a communication from the Governor of Virginia, transmitting a certified copy of a joint resolution passed by the General Assembly of Virginia, which, with the accompanying paper, was referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

COMMONWEALTH OF VIRGINIA,  
GOVERNOR'S OFFICE,  
Richmond, February 18, 1924.

PRESIDENT UNITED STATES SENATE,

Washington, D. C.

MY DEAR MR. PRESIDENT: I am inclosing you certified copy of joint resolution passed by the General Assembly of Virginia memorializing the Congress of the United States to enact legislation authorizing the purchase of the Dismal Swamp Canal and converting the same into a free waterway.

I trust this paper will be used in such way as to see it gets fair and just consideration at the hands of Congress.

Very truly yours,

E. LEE TRINKLE,  
Governor of Virginia.

Joint resolution memorializing the Congress of the United States to enact legislation authorizing the purchase of the Dismal Swamp Canal and converting the same into a free waterway.

Whereas the Chief of Engineers transmitted to the Congress of the United States a report dated February 25, 1922, recommending that the United States acquire by purchase the Lake Drummond Canal, usually known as the Dismal Swamp Canal, for a consideration of \$500,000; and

Whereas this canal intersects and serves a section of eastern North Carolina and eastern Virginia devoted to agriculture and other industries, and constitutes the only instrumentality of transportation for the people of said section, and the maintenance of said canal is essential for the industrial life and social well-being of the people of said section: Now, therefore,

Resolved by the House of Delegates of Virginia (the senate concurring): 1. That the Congress of the United States be, and is hereby, requested to enact appropriate legislation at this session authorizing the purchase of the said Lake Drummond Canal for a consideration of \$500,000, and the maintenance of same as a public waterway in accordance with the report of the Chief of Engineers.

2. That the Governor of Virginia is hereby requested to communicate a copy of this resolution to the Speaker of the House of Representatives and to the President of the Senate of the United States and also to the chairman of the Senate Committee on Commerce and the chairman of the Committee on Rivers and Harbors and also to the two Senators and the Representatives in Congress from the Commonwealth of Virginia.

Agreed to by house of delegates February 14, 1924.

JNO. W. WILLIAMS,  
Clerk House of Delegates.

Agreed to by the senate February 14, 1924.

O. V. HAUGER,  
Clerk of the Senate.

The PRESIDENT pro tempore also laid before the Senate a telegram from the Union of Orthodox Rabbis of America in convention assembled at New York, N. Y., which was referred to the Committee on Immigration and ordered to be printed in the RECORD, as follows:

NEW YORK, N. Y., February 18, 1924.

PRESIDENT OF UNITED STATES SENATE,

Washington, D. C.:

The Union of Orthodox Rabbis of America in convention assembled hereby adopts the following resolutions:

"Whereas proposed Johnson bill seeks further to restrict immigration to this country by reducing the percentage quota and putting it upon basis of 1890 census; and

"Whereas this bill affects directly the destiny of thousands of our coalitionists who are suffering the cruellest religious persecutions in eastern and central Europe; and

"Whereas this measure is contrary to the best of finest traditions of America, which have always held out a helping hand and extended a hearty welcome to the persecuted and oppressed of all nations: Therefore be it

"Resolved, That we protest most strenuously against the adoption of bill as discriminating and un-American and contrary to the great principles of humanity and justice by which our Republic has always been guided, and we appeal to all Members of Congress and to the President of the United States. We petition the President of the United States and Members of Congress to defeat this discriminating and un-American measure and to continue the liberal and tolerant course which America has always pursued."

THE UNION OF ORTHODOX RABBIS,  
PRESIDIUM RABBI LEVENTHAL.  
RABBI ROSENBERG.  
RABBI SILVER.

Mr. CAPPER presented a petition, numerous signed, of citizens of Alma, Kans., praying for the passage of legislation repealing or reducing the so-called nuisance and war taxes, especially the tax on industrial alcohol, which was referred to the Committee on Finance.

He also presented a memorial of members of the Santa Fe Supervisors' Association, of the Atchison, Topeka & Santa Fe Railway system, of Dodge City, Kans., remonstrating against the making of any substantial change in the transportation act of 1920, which was referred to the Committee on Interstate Commerce.

He also presented a petition of rural letter carriers of Norton County, Kans., praying for the passage of legislation providing an equipment allowance of 6 cents per mile per day to rural letter carriers, which was referred to the Committee on Post Offices and Post Roads.

He also presented a memorial of sundry citizens of Norton, Kans., remonstrating against the passage of legislation creating a Federal department of education, which was referred to the Committee on Education and Labor.

He also presented a petition of the Woman's Christian Temperance Union, of McPherson, Kans., praying an amendment to the Constitution regulating child labor, which was referred to the Committee on the Judiciary.

Mr. McLEAN presented a petition of the Hartford Woman's Club, of Hartford, Conn., praying for the passage of legislation establishing a national fish preserve in the Mississippi Valley, which was referred to the Committee on Commerce.

He also presented papers in the nature of petitions from the congregation of the First Church, North Congregational, of Middletown, and the social service committee of the Connecticut Federation of Churches (representing Protestant churches in the State), both in the State of Connecticut, favoring the participation of the United States in the Permanent Court of International Justice, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted at the annual meeting of officers and managers of the Church Missions Publishing Co., at Hartford, Conn., favoring the rejection by the Senate of the Lausanne treaty, which was referred to the Committee on Foreign Relations.

He also presented memorials and papers in the nature of memorials of the Polish Citizens' Republican Club of Bridgeport; members of the Saint Calogero Society, of Thompsonville; the Italian Lodge Fratellanza Duca D'Aosta, No. 825, Sons of Italy, of Ansonia; Lodge Sildio Resinati, Sons of Italy, No. 853, of Plainville; the Societa di M. S. Maria SS. del Carmine, of New Haven; Lodge No. 1071, Sons of Italy, of Hartford; Circolo Italiano, and the Societa S. Maria Maddalena di M. S. Atrane, of New Haven; the Hartford Chapter, Hadassah (the Women's Zionist Organization), of Hartford, and sundry citizens of Italian descent of New Haven and Waterbury, all in the State of Connecticut, remonstrating against the passage of the so-called Johnson restrictive immigration bill, as being discriminatory, etc., which were referred to the Committee on Immigration.

He also presented petitions of Local No. 237, National Federation of Post Office Clerks; the Grand Avenue Business Men's Association; the Anna Sangam, War Mothers' Association, No. 1 (Inc.), and auxiliary, all of New Haven; and of employees of the United States post offices at Waterbury and Middletown, all in the State of Connecticut, praying for the passage of legislation granting increased compensation to postal employees, which were referred to the Committee on Post Offices and Post Roads.

He also presented petitions of the Connecticut State Conference, Brotherhood of Painters, Decorators, and Paperhangers of America, of New Haven; of the John Coleman Prince Post, No. 9, the American Legion, of New London; of the Gray-Dickinson Post, the American Legion, of New Britain; of the Tomalonis-Hall Post, No. 84, the American Legion, of Simsbury; of the Torrington Post, No. 38, the American Legion,

of Torrington; and of the Stanley Doboss Post, No. 14, the American Legion, of Rockville, all in the State of Connecticut, praying for the passage of legislation granting adjusted compensation to veterans of the World War, which were referred to the Committee on Finance.

#### REPORTS OF COMMITTEES.

Mr. LODGE, from the Committee on Foreign Relations, to which were referred the following joint resolutions, reported them severally without amendment and submitted reports thereon:

A joint resolution (S. J. Res. 76) authorizing the maintenance by the United States of membership in the International Statistical Bureau at The Hague (Rept. No. 159);

A joint resolution (S. J. Res. 77) authorizing the appointment of delegates to represent the United States at the Seventh Pan American Sanitary Conference, to be held at Habana, Cuba, in November, 1924 (Rept. No. 160); and

A joint resolution (S. J. Res. 79) to provide for the representation of the United States at the meeting of the Inter-American Committee on Electrical Communications, to be held in Mexico City beginning March 27, 1924 (Rept. No. 161).

Mr. KENDRICK, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 699) authorizing the addition of certain lands to the Medicine Bow National Forest, Wyo., and for other purposes, reported it without amendment and submitted a report (No. 162) thereon.

#### BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MOSES:

A bill (S. 2539) granting a pension to Harriet Ellen Orne (with accompanying papers); to the Committee on Pensions.

By Mr. McLEAN:

A bill (S. 2540) granting a pension to Eva Norton (with accompanying papers); and

A bill (S. 2541) granting a pension to Kate A. Beardsley (with accompanying papers); to the Committee on Pensions.

By Mr. CAPPER:

A bill (S. 2542) for the relief of Henry V. Faris; to the Committee on Claims.

By Mr. COPELAND:

A bill (S. 2543) to make an investigation of the needs of the Nation for public works to be carried on by Federal, State, and municipal agencies in periods of business depression and unemployment; to the Committee on Education and Labor.

A bill (S. 2544) granting an increase of pension to George F. Souls; to the Committee on Pensions.

A bill (S. 2545) for the relief of Ingvald A. Knudsen;

A bill (S. 2546) for the relief of George W. Trowbridge; and

A bill (S. 2547) for the relief of Harold Bentsen; to the Committee on Claims.

A bill (S. 2548) for the relief of James A. Hughes; to the Committee on Military Affairs.

A bill (S. 2549) to repeal the excise tax on automobiles and motor cycles;

A bill (S. 2550) to repeal the excise tax on autotrucks and autowagons; and

A bill (S. 2551) to repeal the excise tax on tires, inner tubes, parts, and accessories; to the Committee on Finance.

By Mr. WADSWORTH:

A bill (S. 2552) for the relief of Leslie Warnick Brennan; to the Committee on Claims.

A bill (S. 2553) authorizing the Secretary of the Treasury to promulgate schedule of fees to be charged vessels at the national quarantine, port of New York; to the Committee on Commerce.

By Mr. BURSUM:

A bill (S. 2554) authorizing the Secretary of War to award the congressional medal of honor to Second Lieut. Etienne de P. Bujac; to the Committee on Military Affairs.

By Mr. KENDRICK:

A bill (S. 2556) granting a pension to Mary Keefauver; to the Committee on Pensions.

By Mr. JONES of Washington:

A bill (S. 2557) conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment in any claims which the Cowlitz Tribe of Indians may have against the United States, and for other purposes; to the Committee on Indian Affairs.

By Mr. NORBECK (for Mr. STERLING):

A bill (S. 2558) authorizing and directing the Secretary of the Treasury to pay for services rendered by certain Indian scouts and Indian volunteers in rescuing white captives from hostile Indians; to the Committee on Indian Affairs.

By Mr. NORBECK:

A bill (S. 2559) to establish an Alaska Game Commission, to protect game animals, land fur-bearing animals, and birds in Alaska, and for other purposes; to the Committee on Agriculture and Forestry.

#### IMPROVEMENTS AT NAVAL AIR STATION, PENSACOLA, FLA.

Mr. FLETCHER submitted two amendments intended to be proposed by him to the bill (H. R. 5721) to authorize the Secretary of the Navy to proceed with the construction of certain public works, which were referred to the Committee on Naval Affairs and ordered to be printed.

#### INDIAN HOSPITAL AT PHILADELPHIA, MISS.

Mr. HARRISON submitted an amendment intended to be proposed by him to House bill 5078, the Interior Department appropriation bill, which was ordered to lie on the table and to be printed as follows:

After line 13, page 47, insert:

"For the construction, equipment, and maintenance of a hospital for Indians at Philadelphia, Miss., for incidental and all other expenses necessary for its proper conduct and management, and including pay of employees, \$25,000."

#### DEFECTIVE BATTLESHIPS.

Mr. COPELAND submitted a resolution (S. Res. 165), which was read and referred to the Committee on Naval Affairs, as follows:

Whereas the Navy Department reports show that four of our capital battleships of the Atlantic Scouting Fleet, namely, the *Wyoming*, the *Utah*, the *Arkansas*, and the *Florida*, have been found unfit for service and have had to be withdrawn from active service; and

Whereas the deterioration of these capital battleships reduces this country's quota of 18 ships of this type, permitted under the disarmament treaty, to 14; and

Whereas the *New York* and *Texas*, which have been ordered to take the place of the four ships above mentioned with the Atlantic Scouting Fleet, are reported to be in almost the same state of disrepair: Therefore be it

Resolved, That the Secretary of the Navy be, and he is hereby, directed to present to the Senate all information relating to the deterioration of these battleships, as well as all data explaining why these ships have not been kept in a condition commensurate with the defensive needs of the country.

#### ORDER FOR RECESS.

Mr. SMOOT. I ask unanimous consent that when the Senate concludes its session to-day it take a recess until 12 o'clock noon to-morrow.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

#### REPORT OF COMMERCIAL COMMISSION TO SCANDINAVIA.

Mr. OWEN. Mr. President, during the last summer I visited Denmark in studying the cooperative market system there, and had intended to be with a committee of the Southern Commercial Congress which visited Sweden and Denmark studying the question of vocational and agricultural education and cooperative marketing. I am just in receipt of a letter from the president of the Southern Commercial Congress submitting a copy of their report. I ask leave to submit it to be printed in the Record, because it is a very important matter and gives information of the utmost importance.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Is there objection? The Chair hears none, and it is so ordered.

The report referred to is as follows:

THE SOUTHERN COMMERCIAL CONGRESS,  
Washington, D. C., January 24, 1924.

Senator ROBERT L. OWEN,  
Washington, D. C.

MY DEAR SENATOR OWEN: I have the honor to submit to you a copy of the report of the Commercial Commission to Scandinavia, organized and directed by the Southern Commercial Congress.

The report covers an investigation conducted in Sweden, Norway, and Denmark, and deals with questions of vital interest to the people of the United States.

In view of the fact that you were selected as a member of this commission and made personal investigations in Denmark, I beg to suggest that the material be offered by you to the Congress of the United States for publication for the information of the American people.

Cordially and sincerely,

CLARENCE J. OWENS, President.

#### REPORT OF THE COMMERCIAL COMMISSION TO SCANDINAVIA ASSEMBLED BY THE SOUTHERN COMMERCIAL CONGRESS.

##### SWEDEN.

To study economic, financial, and industrial conditions in Sweden, Norway, and Denmark, the systems of vocational and agricultural education, and the methods employed in reforestation and cooperative marketing, in which Norway and Denmark, respectively, have made great progress, the Commercial Commission to Scandinavia was assembled by the Southern Commercial Congress at New York and sailed for Goteborg, Sweden, on July 3, 1923. All sections of the country were represented, the members holding commissions from the governors of their respective States, including Alabama, Arizona, Georgia, Illinois, Kansas, Kentucky, Maryland, Minnesota, Mississippi, Missouri, Montana, New York, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, Washington, and Wisconsin. Hon. William Jennings Bryan accepted the chairmanship, but was unable to make the trip, and the commission was directed by Dr. Clarence J. Owens, president of the Southern Commercial Congress, as director general; Congressman WILLIAM D. UPSHAW, of Georgia, vice chairman; and State Senator Ralph Metcalf, of Tacoma, Wash., vice chairman and executive secretary. The address prepared by Mr. Bryan was read at the opening session at Goteborg. He expressed his profound interest in the subjects to be considered by the commission, and in conclusion, said:

"I trust that the Southern Commercial Congress will put the agricultural classes on record in favor of world peace, of world disarmament as a means of securing world peace, and in favor of the cultivation of the spirit of brotherhood and cooperation as the only basis of disarmament and peace."

Miss Mary Boyce Temple, of Tennessee, president general of the Women's Auxiliary of the Southern Commercial Congress, was chairman of the woman's division, which numbered 13. This is the ninth foreign mission organized by this congress. The commission held daily sessions upon the ship, preparatory to the investigation, which was entered upon after debarking at Goteborg July 13.

There is a very old bond of friendship between the United States and Sweden, for in the struggle of the American Colonies for independence Sweden was the first power to offer its friendship voluntarily, without solicitation, through Benjamin Franklin, at Paris, and the treaty between the new Republic and one of the oldest peoples in Europe, who have maintained their land for thousands of years, was signed April 3, 1783. A model of the *Katmar Nyckel*, the ship that brought the first group of Swedish colonists to America in 1637, was exhibited at the Goteborg Exposition. From that first immigration, nearly 300 years ago, the Swedes have seemed to amalgamate better than any other nationality. They are recognized everywhere in the United States as good citizens and capable and industrious workers in agriculture, science, and the mechanical arts. The largest influx of Swedes was 30 years ago, the census of 1890 showing 894,000; 1900, 582,000; and 1920, 625,000.

Sweden has an area of 178,000 square miles, 12,000 square miles greater than that of California, one-seventeenth less than the combined areas of North Carolina, South Carolina, Georgia, and Alabama. It is one of the largest countries in Europe, covering 4.7 per cent of the area of Europe, about half as large again as Great Britain and Ireland. It has a population of 6,000,000, a density of about 34 to the square mile, about one-twentieth of that of England and Wales. Sweden lies in about the same latitude as that section of North America between the southern shore of Hudson Bay and Bering Strait. Its length from north to south is approximately 950 miles and its greatest breadth 300 miles. Because of its high latitude the northern portion is very sparsely populated, many districts with less than one inhabitant to the square mile. The Swedish people belong to the same race as the Anglo-Saxons and probably have the purest Teutonic blood of any nation. The birth rate is 21 per 1,000 and the death rate 14.5. In 1921 the death rate was at the phenomenal figure of 12.4. The average length of life is nearly 60 years, which is probably unequaled in any other nation. Sweden has great resources in iron and timber, Swedish steel being recognized as perhaps the most important factor in the world market.

During the present century Sweden has developed rapidly industrially, as the following table of per cent of population engaged shows:

	1870	1890	1910
	Per cent.	Per cent.	Per cent.
Agriculture and fishing.....	71.9	53.7	48.2
Industry.....	14.7	28.9	33.2
Trade and transport.....	5.1	10.6	12.1
Public service.....	8.3	6.8	6.5

The last 10 years have shown the same industrial development. There are 35 privately owned banks in Sweden, in addition to the Riksbank, the state-owned bank. Sweden suffered severely during the deflation period of 1920-21, the banks having to write off 4,000,000

kroner, and there being considerable unemployment, but the stockholders met all the losses, and not a krona of deposits was lost.

The paper issue of the Riksbank was 234,000,000 kroner on a gold reserve of 102,000,000 in 1913, 813,000,000 on December 31, 1918, with a gold reserve of 285,000,000. From that date there has been a steady decrease until on December 31 last the total was 584,000,000 with a gold reserve of 274,000,000. At this time the Riksbank held foreign bonds and balances to the amount of 252,000,000, so that actually 90 per cent of the note issue was covered by gold, rather an unprecedented situation. The rate charged of 7½ per cent in January, 1921, was reduced by one-half of 1 per cent four times in 1921 and twice in 1922, to the present charge of 4½ per cent. The aggregate capital of the joint-stock banks is about 900,000,000 kroner, and deposits 3,300,000.

Sweden has woman suffrage, and to insure the home and the family against the attraction of public life housewife associations have been organized throughout the Kingdom, somewhat on the order of our parent-teacher associations.

Goteborg and Stockholm are both attractive cities that will well repay an American visitor.

Stockholm is more than 1,000 years old. Nearly 300 years ago Gustavus Adolphus II sailed to Germany to overwhelm the German-Roman emperor and save Protestantism. Later the great military hero of Sweden, Charles XII, swept Europe, through Russia, Poland, Germany, and Turkey. In 1782 Gustavus III built the opera house, in which to this day there has been permanent opera. Stockholm has 450,000 population to-day, Goteborg 250,000.

#### THE GOTEBOG SYSTEM OF LIQUOR CONTROL.

Aside from prohibition in the United States, Sweden has in the Goteborg system probably the most effective control of the liquor evil in the world. Sweden was cursed with the drink habit, but in 1909 a general vote gave 1,700,000 in favor of strict regulation against 35,000. Sweden decided, just as Norway has, that the sale of liquor must be carefully regulated and restricted. This has been done since 1909. One company handles all the sales of liquor, the profit limited by law and any earnings beyond the fixed rate turned over to the Government. The Government receives \$30,000,000 a year from this source. Under this system the total sales of liquor were reduced from 43,000,000 liters in 1913 to 25,800,000 in 1923, and the recorded cases of drunkenness from 59,000 to 28,000. Physicians reported a reduction of cases of alcoholism from 492 in 1913 to 113 in 1922.

The Swedish system of education, which the commission studied through its committee, of which Miss Mary Temple was chairman, is well worth consideration. Mr. Karl Peterson, of the United States Department of the Interior, has been in Sweden three years studying this. He said to the commission:

"Of course you know that there is more money spent by the United States Government every year to study diseases of swine than is spent on education. The people of the United States are afraid of centralized control. The private schools, of which there are so many, resent this. The bureau favors this, but has no administrative power. The Army test in the Great War showed 25 per cent of illiteracy (and this percentage the commission refuses to accept, because the official figures in Germany showed only 2 illiterates in 10,000 in the army test).

"In Sweden the Minister of Education, with the advice of a supervising board, directs the public education of the nation. It is not as complete a system as it is in France, for instance.

"Here in Sweden the supervisory board encourages the initiation of new methods and tests out new ideas. The house and community system is limited to the elementary classes, while in France and Central Europe it continues through the entire system. This community system has a local character and instills local sentiment and fosters love for the community as ancestral home. An advanced feature is study of the industrial possibilities of the community. Informal organizations of adults study this and are familiarized with local opportunities. A new series of local textbooks has been produced, something we have nothing like in the United States.

"The teacher's tenure is on a much better basis than in the United States, where it averages two years. There is a complete pension system, the teachers contributing a small sum. There are teachers' cottages and gardens and school gardens, experiment stations, and reforestation is quite common. The teacher has a permanent position in the community and a home and is recognized as a cultural leader in the community. Sweden goes on the theory that teaching conditions must give 'composure for work.'

"Pupils are aided to positions after graduating, and it is believed they need guidance more than when in school. There are textbooks teaching physical and mental requirements for various occupations, and teachers advise and help. The teacher must not sever relations with the graduate, but advise and help as he enters upon his life work. These continuation schools last part time for six or eight months while working. This is compulsory as well as the elementary schools between the ages of 7 and 14.

"The difference in pace with which pupils acquire education is always a great drawback and discouraging to teachers. Thus in the

United States of 1,000 pupils in grade schools, 139 complete high school and 23 college. A special effort is made in Sweden to pick out the brightest pupils and push them ahead. In fact, this is generally done in Europe, and in Belgium cities raise a special fund for maintenance and education of selected pupils. Salaries of teachers are a little lower in Sweden than in America, but in proportion to cost of living. There are 42 weeks of school, 5 or 6 hours for 5½ days a week."

Consul General Murphy added that teaching is a profession in Sweden and there is always a chance to advance to a better salary. There is a good pension system; in fact, all Government employees, and most of them in private occupations, are paid at the age of 60, 75 per cent of the salary. Pupils are thoroughly instructed in the gymnasium and in active games. He said he had never found a slum district in any city in Sweden; the municipalities dress the poor children and furnish them lunch. He has lived in the Consular Service in 14 countries, and no country is so well governed as Sweden. The people seem to have more respect for the law, and punishment follows crime immediately.

Mr. Murphy had a very serious criticism of certain American business methods. He said Sweden has to import 78 per cent of its coal supply, and the United States furnished 11 per cent of it. After the great coal strikes in England he urged the United States to increase its shipments, and in four months United States exports grew from 11 per cent to 49 per cent. Unfortunately, when Sweden needed coal, a New York concern sold a cargo to some of the biggest steel companies, declaring by wire that it was high-grade coal. It proved to be very poor quality, not steam coal, and cost them a loss of \$9,000, ruining retorts and stock in manufacture. A claim was made through the State Department, but it proved a war company of mushroom growth and there was no redress. A second cargo proved to be coal dust and slate, so the prospects for building a large coal trade were ruined.

The consul general said that after the armistice hordes of American drummers came to Sweden and deliberately swindled the merchants. The largest department store ordered over \$700,000 of American goods for immediate shipment, and in nine months received but 23 per cent of the order, much of that lost by bad packing and goods not up to grade. They served notice, "Until you Americans keep your contracts and deliver goods you've promised and promptly you can't have Swedish trade." They are buying in England and in Germany. Another firm ordered 3,700 boxes of Oregon apples and sent the money to a New York bank. The entire shipment was over 80 per cent rotten. The case is now in the New York Supreme Court, and the testimony showed they were misbranded. There were many like cases; they were mushroom war concerns, not standard New York companies. It was all published in the papers, and hurt trade badly. The United States Government made efforts to correct this condition and it is much improved. In fact American trade fell off materially in 1921; it increased last year to 20 per cent of the total. This was not confined to the United States. Other countries were guilty of the same practices in 1920. The fact remains that a commercial commission to advance trade relations can not succeed if this kind of thing is permitted by American merchants, and it shouldn't be. We are reporting the consul general's statements because they come on high official authority and are therefore entitled to all consideration and to the necessary action that will eliminate them. This situation greatly interfered with the commission's efforts in the Scandinavian countries, for the knowledge of it seemed to be general.

#### A GREAT INDUSTRIAL COUNTRY.

In industry Sweden holds the fifth place among the countries of the world, after England, the United States, Germany, and Belgium, although the population is less than that of New York City. At this time more than half the population of Sweden is actively engaged in industry. Sweden has not only the resources in ore that are requisite to great manufacturing, great timber resources, and water power, but her people have the inborn mechanical genius that is essential to successful development. This tendency toward industry is exemplified by these figures: The per cent of the population employed in agriculture was 72 per cent in 1870, 54 per cent in 1900, 48 per cent in 1910, 35 per cent in 1920, while the per cent employed in industry was 14 per cent in 1870, 28 per cent in 1900, 32 per cent in 1910, and 52 per cent in 1920. Trade, shipping, and banking have increased correspondingly. The iron mines of the north are among the richest of the world and there are yearly 5,000,000 tons transported to the coast. Sweden suffered severely from the after-armistice period, but her industries are prosperous.

Sweden has about 9,000,000 acres in cultivation, growing about 350,000 tons of wheat, 700,000 tons of rye, 1,200,000 tons of oats, and 2,000,000 tons of potatoes. The value of the entire harvest is figured at considerably over 1,000,000,000 kroner, or approximately \$280,000,000.

More than half the total area of Sweden is forested. There are 55,000,000 acres, of which 13,000,000 acres are national forests. Normally, before the war, the exports of forest products aggregated \$90,000,000, or nearly half the total exports. The law requires cutting

close to the ground and close utilization of by-products. The principal species are Norway pine and spruce, similar to that in the State of Washington. The timber matures at about 100 years. Reforestation is carried on on so large a scale by both the Government and private owners that the statement may be accepted that the forests of Sweden will never be cut out.

Trees are cut to 3 inches from the ground. Practically all of the timbering operations have accessible river transportation. The logs generally run about 7 inches in diameter and 18 feet—rather poles in Pacific coast lumbering. There is practically no waste either in the woods or the mills. Waste not used for lath, broom handles, or box shooks goes into pulp or charcoal. Lumber is air dried. American lumber manufacturers may accept the conviction of the commission that there can never be competition in any market with Swedish lumber, because it is small, short, and full of knots.

Governmental control of the state forests began in 1638, but it was not until 1860 that the Government established a forestry policy. In 1875 this policy was extended to taking over more forested land annually. Under this policy the Government increased the acreage of state forests from 1,000,000 in 1870 to 15,000,000 in 1915. The Government maintains a forest laboratory, studying all questions relating to forestry, with experimental areas all over the country. The college of forestry was established in 1828. There are seven schools of forestry, and free instruction in all state colleges and schools. There was no tax before the war on standing timber and very little now.

The forestry laws are enacted to meet the conditions in every part of the country. The specific laws apply only to the sections named. They provide that only trees matured shall be cut and that there shall be reforestation. These laws cover all of the forested land owned by private interests. There is a forest commission in each province, which not only sees that the law is enforced but furthers reforestation. Last year nearly 100,000 acres were reforested under these commissions. In no country in the world, not even with the efficiency methods of Germany, are the logging of the trees and the utilization of the waste so applied as in Sweden.

There are in Sweden 1,400 sawmills, employing 60,000 hands, which makes a very small showing with the United States. Some of the mills are operated by electric power, of which there is much that waits only development. Kiln drying is used very little. There is a legal 8-hour day, and the wage runs from 18 to 35 cents per hour. Sweden exports a great deal of wood pulp. There are 200 factories, and the increase in output has been from 220,000 tons in 1896 to 520,000 in 1905, 950,000 in 1910, 1,200,000 in 1915, and nearly 2,000,000 in 1922. A good deal of this comes to the United States. Sweden also exports 300,000 tons of paper, next in the world to Canada. All the match-manufacturing companies were combined in 1918, and last year they exported more than \$2,000,000 worth.

As to the increase of shipments from the United States, that depends upon the methods used by American shippers, in view of the reports we have set forth. Between 1910 and 1920 Sweden shipped to us \$44,000,000 of supplies. The great falling off of exports from the United States to Sweden in 1920 was presumably due to the feeling against goods from America resultant from the practices described by Consul General Murphy. The principal shipments, which may be increased, are (these are the 1920 official figures): Agricultural implements, \$1,064,803; breadstuffs, \$5,254,929; automobiles, \$11,805,362; chemicals, \$2,364,209; coal and coke, \$14,410,141; copper, \$7,345,635; cotton, \$14,961,833; cotton manufactures, \$3,792,111; electric machinery, \$798,528; fertilizers, \$766,606; fruits and nuts, \$114,369; adding and calculating machines, \$1,012,983; machinery, \$5,230,801; rails, \$1,066,313; total iron and steel, including rails, \$10,602,245; leather manufactures, \$5,628,631; meat products, \$6,540,480; mineral oils, \$11,828,870; tobacco, \$4,448,206; wood manufactures, \$357,896; total of domestic exports, \$113,647,105. In addition, the United States exported to Sweden \$1,242,739 of foreign merchandise. It is unlikely that a market can be found for any new products to any extent. The Swedish business man is hard headed, clear thinking, and knows values. He will not stand for unfair treatment. But he is well satisfied with his dealings with reputable firms. Trade relations have broadened materially in the last few years and under right conditions will continue so to do.

Sweden has in the United States its legation at Washington, its consul general at New York, who was with this commission in Sweden, a consul at Chicago, Minneapolis, San Francisco, Seattle, Portland, Los Angeles, San Diego, Salt Lake, and Ketchikan. The commission believes that an extension of this service would be of material advantage in increasing trade relations between the countries. The United States has in Sweden only the legation at Stockholm and consul general, consul at Goteborg, and at Malmo. This service could be extended to great commercial benefit.

The Swedish budget, like that of Great Britain and of our own country, is not written in red. The expenditures of last year's budget provided for a total of 663,604,800 kroner, and revenue of 759,990,900. The balance—something that outside of England under

Stanley Baldwin is unknown in Europe—was appropriated for "expenditure for increase of capital," as follows:

	Kroner.
Government business enterprises	68,206,900
Government stocks and shares	750,000
Government loan funds	17,150,000
Reduction of national debt	7,159,200
To fund from sale of liquor (probably repaid)	35,100,000
Temporary loans repaid	4,000,000
Subvention loans	20,000
Total	132,386,000

The budget for 1923-24 reduces expenditures 25 per cent from the 1922-23 budget. The national debt of Sweden doubled from 1913 to 1922 because of war conditions, but is now less than a billion and a half kroner, 242 kroner or \$87 per capita, as against \$1,000 in Great Britain. There has been an economic affinity, a similarity, between Sweden and the United States, in successfully handling national finances during the deflation period. In 1908 the foreign debt was 905 of the total. This was steadily converted into internal debt, until last year only 24 per cent was foreign. There were \$20,000,000 of Swedish bonds sold in the United States in 1919. Notwithstanding the hard times of the following years, more than half of this was bought back. The Swedish krona was the only currency in the world that stood at parity with the dollar, and in January of this year was at a premium above the dollar. Last year Sweden increased her foreign trade 17 per cent over the previous year, nearly treble that of 19 other countries, and had a foreign trade balance of 1,100,000,000 kroner. Exports to the United States were 10 per cent of the total before the war and have now increased to 24 per cent.

#### THE FREE PORTS OF SWEDEN.

Sweden has developed the free-port policy to the extent of its three principal ports—Stockholm, Malmo, and Goteborg. The free port facilitates commerce in transit, in that it is exempt from customs regulations and duties. Goods may be landed, stored for an unlimited period, and reshipped to any destination outside of Sweden without being subject to duty. The free policy was proposed 40 years ago, but it was not until 1907 that Parliament enacted the necessary legislation and 1919 when the first free port, at Stockholm on the Baltic, was opened for business. This is on a rather small scale, with quays of 1,770 feet and 25 to 30 feet of water. Extension to 2,625 feet is under construction. The warehouse provides storage of 200,000 square feet. About 700 ships can be cleared yearly.

The free port of Malmo, across from Copenhagen on the narrow channel that connects the Baltic with the North Sea, was authorized in 1917. There are 2,250 feet of quays, with a depth of 30 feet. About 17,000,000 kroner, or \$4,420,000, have been expended on this port. The warehouses have a capacity of 183,000 square feet.

The third free port, that of Goteborg, on the North Sea, the nearest port to the Atlantic and the port of call of American ships, was formally opened last August, and work is still progressing. The commission was afforded a close inspection of this port. Its cost reaches 20,000,000 kroner, or \$5,200,000. There are two piers, 600 meters by 70 meters and 250 meters by 100, respectively, with a total length of 3,700 feet. The basin between the two piers has an area of 25 acres, with 25 feet of water. The warehouses have a floor space of 175,000 square feet. They have heated compartments for goods that can not withstand cold. There are 40,000 feet of railway sidings. There are 23 electric cranes, with lifting capacity of 5 tons each. The largest dry dock holds 18,000 tons. These free ports are constructed by the municipalities, the management at Stockholm and Malmo being turned over to private companies. The Goteborg port is under control of the harbor board, but the warehouses leased to a company formed by representatives of the principal trading and industrial companies, with rate of profit limited by law and the city sharing therein. From the Goteborg port are regular direct sailings, passenger and freight, not only to all Scandinavian and Baltic ports but to and from New York, the Pacific coast, the east and west coasts of South America, and cargo service to North, Central, and South Africa, the Near East, British India, the Dutch Indies, China, Japan, and Australia. There are 40 steamship trips made annually to and from American ports. The average tonnage of ships is 4,000.

Hydroelectric power was first developed in 1896. In 1908 the Royal Board of Waterfalls was created by Parliament and given control of all state canals and waterfalls. By a bill effective July 1, 1920, it was given power not only to superintend the management of waterfalls, power plants, and canals but to cause necessary new developments to be carried out and to suggest and carry out provisions aiming toward a complete utilization of the water-power resources and to aid in building up a rational power supply in those parts of the country where direct action by the state appears desirable. The board maintains a bureau of construction, which carries on hydraulic construction work and builds power houses for both hydroelectric and steam-electric plants. The power that has been developed in Sweden is shown in the following table:

Power developed in Sweden from 1896 to 1922.

Year or period.	Water power.		All other power.		Total horse-power.
	Horse-power.	Per cent.	Horse-power.	Per cent.	
1896-1900.....	168,770	56.8	128,335	43.2	297,105
1901-1905.....	253,663	55.8	201,294	44.2	454,957
1906-1910.....	373,481	54.0	293,663	44.0	667,144
1908.....	311,901	55.2	252,572	44.8	564,473
1907.....	330,756	54.4	276,263	45.6	607,019
1908.....	351,370	55.0	288,298	45.0	639,668
1909.....	394,141	55.3	318,315	44.7	712,456
1910.....	479,237	59.0	332,547	41.0	811,784
1911.....	505,184	59.8	338,391	40.2	843,575
1912.....	619,772	62.6	370,318	37.4	990,090
1913.....	704,545	61.9	434,358	38.1	1,138,904
1914.....	774,235	61.5	465,629	38.5	1,239,864
1915.....	844,168	63.9	476,875	36.1	1,321,043
1916.....	924,780	65.7	483,301	34.3	1,408,081
1917.....	953,797	65.0	513,374	35.0	1,467,171
1918.....	1,037,020	67.7	494,192	32.3	1,531,212

At the close of 1922, of the known available water-power resources of Sweden, a total of 4,500,000 horsepower, there had been developed 1,200,000 horsepower.

Up to the World War there was practically no use of electricity in the rural districts. Under war conditions kerosene could not be obtained, calcium carbide was scarce, carbide lamps were expensive and troublesome, and the utility of electricity impressed itself on the farmers. Few farmers had sufficient means to provide a supply, so they employed the most effective instrument for the farmer in every line of his business—cooperation. Cooperative electric distributing unions were organized, and up to this year there were 300 in active operation, and the farms of western Sweden are very generally supplied with electric light and power. It is another lesson to the American farmer of the efficacy and efficiency and effectiveness of cooperation.

The cooperative societies of Norway and Sweden have not been developed to the extent of those in Denmark. The export of Denmark is better suited to these societies, and greater extension was possible. However, these societies are important in Norway and Sweden, and are to be found in the lumber and paper industries as well as in the agricultural interests. The cooperative societies were founded in Norway about 1865 and in Sweden in 1860, although the actual movement in both began about 1890. They are mostly urban and operate on the Rochdale distributive plan. Since then they have grown in many respects as to standardization, further extension, and larger capital.

Director Embald, of the National Union of Swedish Farmers, explained to the commission at Stockholm that the business of his union was to buy feed, seed, fertilizers, and grain for its members, and to market their products. It handles only the chief farm necessities. The general office is in Stockholm. It is the usual cooperative organization, first the farmers' union, then the district association, then the National Union.

Manager Eldin, of the Consumers Union, which operates on the Rochdale system, stated that the union was organized by workers in 1860, but their ideals were too high and would not work, and the union died in 1880. Other unions were organized and soon died. In 1900 the present union was organized by practical men who discarded ideal theories and adopted systematic methods, following the Rochdale plan. There are now 900 unions serving 250,000 families and 1,000,000 people, one-sixth the population of Sweden. The sales for 1922 were 200,000,000 kroner. Business is increasing materially each year. There are members in all parts of Sweden representing all classes, but 60 to 70 per cent are farmers or laborers. Each union is free to buy and sell, but under control of the central union. The central buys at wholesale and supplies the unions. The primary object is to buy in the best market to the best advantage. They broke the margarine monopoly by building their own factory, now the largest in Sweden, and materially reduced the price. Their grain mill will also be the largest. Their capital comes from the initiation fees of members, starting at 1½ cents. Profits go to members in proportion to their purchases. Legal and educational departments are also maintained. Nonmembers may purchase.

#### TRADE WITH THE UNITED STATES.

Sweden suffered from the economic reaction of the deflation period that followed the inflation of 1918-19, but during 1922 there was a gradual recovery. Liquidation in banking and industry was accomplished without severe losses, and the Swedish price level at the close of 1922 was approximately that of the United States and Great Britain. During 1923 there has been a continued general improvement, with an increase in production and a decrease in unemployment. During the latter part of 1922 and the early months of 1923 there were serious labor troubles, which were settled in May, since which time there has been a gradual recovery in industry and shipping, to which the financial situation has reacted.

The foreign trade of Sweden with the United States is as follows:

Year.	Exports from the United States.	Imports to the United States.
1912.....	\$10,504,151	\$10,452,650
1913.....	13,588,593	11,875,403
1914.....	30,961,285	11,715,316
1915.....	85,231,543	11,373,679
1916.....	47,967,590	18,856,638
1917.....	20,467,923	18,069,487
1918.....	15,674,108	5,935,490
1919.....	133,069,131	13,722,931
1920.....	114,889,844	31,612,153
1921.....	37,565,813	19,765,767
1922.....	32,468,343	33,350,235
1923 (9 months).....	26,977,355	18,864,228

Sweden offers a market for textile goods. They prefer a cotton and wool mixture. They always have been able to look to Germany for this; still to-day the opportunity offers for United States manufacturers.

#### NORWAY.

Norway has an area of 124,640 square miles, rather more than a third smaller than its sister country and practically the size of New Mexico. It has a population of 2,715,000, a density of about 21 to the square mile, considerably less than that of Sweden. The principal ports are Christiania, Bergen, Stavanger, Christiansand, and Layvik. There are 10 shipping lines to the United States, making 156 sailings annually, the average tonnage of the ships 6,000 tons. At Christiania Hon. S. A. Hammer delivered a most interesting address to the commission, detailing economic conditions in Norway from the time of its first independence. He said:

"Until the nineteenth century Norway had been united with Denmark for 364 years. January, 1814, was for Norway as 1776 for the United States—the Norwegian war of independence. Independence was brief, for Norway was forced by the great powers of Europe to the unfortunate union with Sweden. For 50 years before 1814 Norway made great strides economically, but the war with England destroyed everything—ships, commerce, industry. A member said in the British Parliament in 1815, 'No country in Europe would sell a pair of slippers for Norwegian currency.' But Norwegians stick to their work. There has been an honest economic policy ever since. The National Bank of Norway was established in 1815 on the same principle as the United States Bank. It was not a commercial bank but simply issued notes. Private bankers loaned only on land, so it was necessary to start a bank.

"From 1820 to 1830 development was very slow. The great timber trade with England was ruined by the English import duty in 1809 for the benefit of Canada, and this trade was the source upon which Norway depended. In 1830 the first light came. The chaos in Europe because of Napoleon was an exact counterpart of the present chaos. Every organization was shattered; all artificial remedies failed. The times were out of joint but we were born to set it right, and are trying to do the same thing to-day. In 1830 Europe settled down. Norwegian timber trade began to flourish. France was the market and there was a lively commercial intercourse. Norway began slowly to rise. Norwegians are always patient. In 1814 there were 7 newspapers; there are now 700. Then there were 900,000 population; now 2,600,000. Christiania had 11,000; now 256,000.

"By 1840 political questions were settled, so Norway undertook a decided economic improvement. Several corporations were established and in 1848 the first bank. In 1850 there was full growth of economic life. In 1820 there was one bank with 800,000 kroner capital; in 1870, 8 with 7,400,000; 1895, 36 with 17,000,000; 1900, 75 with 46,000,000; 1913, 108 with 63,000,000. From 1850 to 1860 was a great period of development, railroads, telegraphs, steamships. In 1854 was the first railroad; in 1856 the first telegraph. Norway may come slowly but shall come surely. That is the Norwegian characteristic. The stock and share market developed slowly. The first official quotation on the Christiania exchange was in 1881. There were three banks, five insurance companies, and a tram line. From 1895 to 1900 all business was at high tide. There was building construction everywhere. In 1877 Christiania had 176,000 people, in 1899, 227,000. The high tide ebbed in 1899, and from 1900 to 1904 times were slow. The harbor and port were improved in this period and the railroad completed to the port. The best year of recent times was 1905; this witnessed the rise of the nation, and the establishment of a national life. We do not believe in nationalism, militarism, or imperialism. We believe in cooperation between nations. Great industries were established in the period from 1905 to 1914.

"The breaking of the war in 1914 caused a panic and great upheaval. Shipping is uppermost in the Norwegian mind. All love the sea, all are children of the sea. So we decided to make our profit from the sea. Shipping flourished, much money came in and industries were built up, but not all on a sound basis. When the hard times came, many

could not keep up. The municipalities had overdone building electric plants. The war ended as unexpectedly as it began. Inflation lasted until 1920, and in 1921 came the collapse. All values fell greatly. It was one of the worst years on record. It was slightly better in 1922, but very bad. From December, 1921, to December, 1922, bank deposits fell from 4,900,000 to 4,500,000 kroner. There was a rise in stocks that year. The debts of the municipalities have risen as follows: 1875, 22,700,000; 1900, 111,000,000; 1912, 180,000,000; 1917, 335,000,000; 1922, 1,300,000,000. Now, that is too much. Several municipalities have gone altogether too deep into electric plants. Electricity is very general and very cheap. Even small cottages are lighted by it. The income-tax returns reduced 491,000,000 kroner in one year. We lost 1,000,000,000 kroner and 1,300 men by the war. If one of the small wheels of the world be wrong, the large ones will be out of joint."

The United States Consul, A. G. Snyder, who has been 25 years in the General Consular Service, stated that he had a decided opinion on the immigration question and was preparing a report. His judgment is that the 1890 census should be the basis and that the quota for the Scandinavian countries should be tripled. Foreigners should be registered in the United States, as in Norway, requiring a fee to pay the cost. This would enable the Government to know where they are and what they are doing.

There was a material improvement in general industry and trade during the past year. The unemployment that was so prevalent in the disastrous year of 1921 continued to increase during the winter and the early months of 1922. The summer brought a slight improvement which was lost in the fall and winter. The labor troubles that were prevalent last spring, as in Sweden, were settled by compulsory arbitration without any serious strikes. The arbitration court reduced wages, which enabled industries to put themselves in shape to meet foreign competition. The deflation process was completed, and while it struck many industries hard, they pulled through.

The estimated cost of living dropped during the year about 13 per cent, making a total decrease from the maximum of December, 1920, of 29 per cent, and leaving it about 140 per cent above 1914. Wholesale prices declined 18 per cent and now stand at about 121 per cent above 1914. Food prices declined 20 per cent and stand at 116 per cent above 1914. The fisheries had a larger yield than for five years, and totaled 47,900,000 cod valued at 34,500,000 kroner. The balance of trade is still unfavorable, more than double what it was before the war. The principal exports are timber, wood pulp, paper, animal food products, seeds and fodder, yarn, dry goods, hair, feathers, hides, fats, oils, minerals. The exports increased about 16 per cent over the previous year and were only about 15 per cent less than in 1913. The total value was 760,000,000 kroner. The merchant marine was decreased by 100 ships, totaling 18,441 tons, and comprised 3,740 ships with gross tonnage of 2,610,796. The ships were idle during 1921, but during 1922-23 most of the tonnage was employed, although freights have been very low.

#### TRADE BETWEEN NORWAY AND THE UNITED STATES.

The following table shows the trade of Norway with the United States for a term of years, showing a very large balance in favor of the United States:

Year.	Imports from the United States.	Exports to the United States.
1912.....	\$8,059,945	\$8,381,489
1913.....	9,255,868	8,412,129
1914.....	19,635,207	11,976,758
1915.....	46,231,270	6,982,149
1916.....	66,209,717	6,430,076
1917.....	62,847,557	6,280,233
1918.....	36,137,464	2,015,851
1919.....	135,134,594	7,371,249
1920.....	94,661,767	21,627,230
1921.....	32,117,312	13,005,048
1922.....	31,242,518	14,705,933
1923 (9 months).....	14,678,053	9,262,830

#### Total trade.

Year.	Norwegian exports.	Norwegian imports.
	Crowns.	Crowns.
1922.....	790,000,000	1,350,000,000

#### SERIOUS BANKING CRISIS.

The worst feature in the Norwegian economic situation is the difficulty the banks have had to keep their heads above water, and many have gone under. The effects of the post-war readjustment on the banks were first evident early in 1922. Two of the most important and many smaller banks were forced to apply for aid to the total of 50,000,000 kroner. In the fall of 1922 one of the largest banks asked for help

and received 50,000,000 kroner. This situation is ascribed to the general decline in prices, overexpansion of business and credit during the boom period, and the very unfavorable conditions in the principal industries of fishing and shipping. This aid was extended by the Government without authority of Parliament, but in March, 1923, Parliament enacted a temporary law to aid the smaller banks. Within two months 20 banks had taken advantage of this. In April one of the largest banks, which had twice received aid, suspended, the examination showing a loss by the bank of 105,800,000 kroner. The suspension was caused by the continual withdrawal of deposits. On the next day a second large bank suspended. In an effort to prevent further suspensions, on the following day Parliament passed a Government guaranty bill. Nevertheless 80 banks have suspended. The report on 15 showed total losses of 316,000,000 kroner.

The national debt has been greatly increased, to 1,500,000,000 kroner as against 357,000,000 kroner in 1914. The debts of municipalities are estimated at 1,300,000,000 kroner as against 183,000,000 kroner in 1912. The total national debt is about 2,800,000,000 kroner. It is proposed that the Government take over and administer the finances of the many municipalities that are in difficulty.

Norway has available 12,289,835 hydroelectric horsepower, of which 1,363,902 horsepower has been developed. The State owns 2,155,470 horsepower of the total potential energy. The total installed generator capacity has increased from 7,246 kilowatts in 1906 to 1,373,400 kilowatts, or about 1,954 per cent, most of which has been in hydroelectric stations. Of the total of 1,373,400 kilowatts, 1,008,000 kilowatts, or 1,351,300 horsepower, is hydroelectric, and the remainder, 365,400 kilowatts, is installed in fuel-burning plants.

A total of about 1,000,000,000 kroner is invested in central stations, of which 650,000,000 kroner were spent in the period from 1916 to 1923. Of this amount 50,000,000 kroner were expended by the Government and 600,000,000 kroner by municipalities and counties. About 40 stations are owned by municipalities or counties. The water-power law of Norway was passed in 1917 and amended in 1921. It requires that application be made and license received for development of any water-power site to produce 1,000 horsepower or more.

Norway lies far to the north, between 58° and 71° north latitude. About 70 per cent of its area is unproductive—mountains, lakes, rivers. There are 1,750,000 acres under cultivation, of which a little less than half is in crop and the remainder meadow. The farms are very small, averaging about 8 acres, less than 8 per cent having more than 25 acres. About 40 per cent of the people, 1,000,000, are engaged in agriculture. The amount of cultivated land per inhabitant is about three-quarters of an acre. Most of the farmers own their land—about 94 per cent. The crops are barley, oats, rye, wheat, fodder, and potatoes. The yield per acre is large. Because of the climate land can be tilled only from May to October. The raising of livestock is important.

The forest land in Norway aggregates more than 17,000,000 acres. The principal trees are fir, pine, spruce, and birch.

#### LUMBERING IN NORWAY.

Conditions for logging operations are good because of the long winters with settled weather and excellent hauling conditions, as well as many watercourses for floating timber. Logging is therefore comparatively cheap. Because of the large extent of forest, there is all-year-round work for a large body of workers—on farms in summer and in the woods in winter. The domestic consumption of wood is estimated at 124 cubic feet per capita. The annual cut for export is 121,000,000 cubic feet, of which 43,300,000 is in rough and finished lumber, 8,100,000 in timber and poles, 26,300,000 in wood pulp, 31,700,000 in cellulose, balance in paper. With 121,000,000 cubic feet cut for export, 298,600,000 for domestic consumption, and an estimate of 22,100,000 waste in forest, there is a total cut of 441,700,000 cubic feet. The annual increase in the forest is estimated by Forester Barth at 342,616,000, showing an annual decrease in timber resources of 99,084,000 cubic feet. These figures disprove the claim that reforestation insures a permanent timber supply in Norway under existing conditions.

The first laws concerning privately owned forests were passed in 1908. They leave it to each Province to establish rules for cutting. In the early years of the war there was heavy cutting, and the Government passed a law in 1916 providing that where no county regulations were in effect no timber smaller than 8-inch diameter at breast height should be cut. In 1917 there was established a forestry experimental station at the State College of Agriculture at Aas, near Christiania. There are four state schools of forestry in different parts of the country and five schools operated by the Provinces, aided by the state.

In 1872 the state began reforestation and planting in the treeless wastes of Westland. In this latter section nearly 10,000 acres have been seeded. The Norwegian Forestry Association was established in 1898. This association operates nurseries, distributes seeds, and in every way aids in forest culture and reforestation. During its first 20 years 130,579,020 trees were planted and 12,064 pounds of seeds distributed, from which 82,483 acres have been reforested. The association also has drained 50,286 acres of swamp. A total of 132,769 acres of unproductive forest land have been reforested or drained.

The large majority of the timber is in private ownership. There are 7,371,000 acres in private forests, 3,664,600 owned by sawmills and other corporations, 2,107,800 public forests, 763,300 county and commune forests, 156,900 charitable institutions. Norway has a sound system of taxation on timber, which ought to be used as a basis for revision of our State laws. There is a small tax on the property, but the main tax is on the log after it is cut, amounting to about 10 per cent. In some cases the tax is based on the estimated annual growth figured at from 2 to 5 per cent.

Prices of saw logs delivered in the main river prior to the war for top diameter of 9.1 inches to 12.2 inches ranged from 15 to 16½ cents per cubic foot. Postwar prices ranged from 35.2 cents to 37½ cents. Prices of logs from the state forests in the Glommen River district, based on a log 24 feet with top diameter of 9 inches, ranged from 5 cents per cubic foot in 1878 to 8 cents in 1908, 19.2 cents in 1916, and 39.2 cents postwar. In this same district the price for pulp logs varied from 3.6 cents in 1891 to 8.5 cents in 1913, 19 cents in 1917, and 20 cents postwar.

Notwithstanding its large timber industry, Norway imports from \$7,000,000 to \$10,000,000 of lumber. Before the war, next to Sweden and Russia, Germany and the United States were the largest suppliers, the total from this country being about half a million dollars, consisting principally of hardwoods, oaks, hickory, and ash. Southern pine and Douglas fir have been imported to a limited extent. On account of the excellent steamship facilities, it is probable that a market can be found for some quantities of American lumber, if a selling campaign be inaugurated.

#### PUBLIC EDUCATION IN NORWAY.

Norway has special schools for the following subjects: Agriculture, horticulture, dairying, forestry, and domestic science. These are of two classes, high schools, mainly for training teachers and officials and for scientific research, including the high school of agriculture, state training school for teachers and instructors to small holders, state training school for female teachers in housewifery. Schools for training in practical requirements, as follows: Thirty-three agricultural schools, 6 schools for small holders, 9 horticultural schools, 5 schools for dairying, 10 schools of forestry, 68 schools of housewifery, a total of 131 training schools. The high school of agriculture has five sections, devoted, respectively, to agriculture, forestry, horticulture, dairying, redistribution of intermixed holdings. The high school has a farm of 375 acres and some timbered land. The complete course of education comprises: Continuation school, 6 months; practical work, 2 years; agricultural school, 18 months; preparatory course, 1 year; high school, 3 years; total, 8 years. At the high school practical and scientific experimental work is carried out in the following: Cultivation of plants, treatment and investigation of grain, cultivation of the soil, eradication of weeds, stock foods and feeding, breeding, agricultural machines, horticulture, analysis of the soil, forestry. The State training school for domestic science has a 4½-year course.

There are a number of American students at the Royal University at Christiania. With reference to further matriculation of American students, Dr. M. L. Reymert, editor of the Scandinavian Scientific Review, prepared a comparative statement of American and Norwegian public-school education. He shows that in comparison with the American 8 years in grade school, 4 in high school, 4 in college, total 12, Norway has 7 years in folkeskole, 3 in middelskole, 3 in gymnasium before entering the university. The American high-school education, according to Doctor Reymert, brings the pupils much further than the Norwegian middelskole and includes a substantial part of the work and subjects taught in the gymnasium. The examination passed by a Norwegian student at the close of three years at the gymnasium corresponds to that at the close of the first year at an American college. The last two years at an American college correspond to the work at the University of Norway. Hence a diploma from an American college ought to be more than sufficient for matriculation of American students at the University of Norway, and American students should be exempt from the entrance examination.

Norway in common with many progressive countries has adopted the land-settlement and State-aid policy. There are in each district land committees of three members, who receive applications for land and for loans for cultivation and colonization and also handle such matters as collecting and treating manure, fighting weeds, caring for grazing, etc. The county agricultural society passes on their recommendations and in turn reports to the department of agriculture. Loans are made for farm operation up to 5,000 kroner to farmers assessed under 50,000 kroner upon 2,000 kroner per acre. Payments begin after 5 years, and are made annually for 15 years, at 2½ per cent per annum. The state also contributes to the farmer who has borrowed money for land cultivation the difference between the rate of interest on first-mortgage loans from public funds and the rate on loans from the land-cultivation funds, which at present is about 8 per cent. The state makes a direct contribution of one-fourth the cost of land cultivation up to 500 kroner per acre to farmers assessed not above 25,000 kroner. The district also may add to this. Colonization is assisted by a state grant to colonization societies of three times the amount they are able to raise. In 1921 the state appro-

priated 6,400,000 kroner for state aid and colonization, last year 2,700,000 for state aid and 1,300,000 for colonization. The budget last year provided 9,446,094 for agriculture; 2,541,000 in aid of district work, including 2,391,000 for education; 1,166,657 for high school; forestry service, 10,821,100; income 7,823,292; for civil veterinary service, 885,105.

The consular service of the respective countries consists of a United States consul general at Christiania and consuls at Bergen and Stavanger. Norway has a consul and vice consul at San Francisco, covering Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Alaska, Utah, Washington, and Wyoming; vice consuls at Mobile, Juneau, Nome, Los Angeles, and San Diego.

Norway ships a short list of articles to the United States, of which the following are the most important: Hides, newsprint paper, sardines and other fish in oil or cured, wrapping paper, aluminum, nitrate. The balance of trade is heavily in favor of the United States, which ships a very long list of articles, of which the following are the most important: Fresh and cured meats, oleo, lard, leather, rye, apples and dried apples, cottonseed oil, sugar, tobacco, cotton cloth, sheet iron and steel, iron pipe, copper rods, motor parts, motion-picture films.

#### DENMARK.

Much the smallest of the three Scandinavian countries, Denmark has an area of 15,600 square miles, about the size of Switzerland, or almost exactly half the size of the State of South Carolina. It is far more densely populated than either of the other countries, having a density of 209 to the square mile, about 10 times that of Norway. The great port is Copenhagen, "the key to the Baltic," from which three steamship lines run to American and European ports, docking at Boston, New York, Baltimore, Philadelphia, and New Orleans, as well as South American ports. There are 86 round trips annually, the ships averaging 7,000 tons. The three Danish waterways—the Sound, the Storebælt, and the Lillebælt—have always been the natural channels for traffic from the North Sea to Russia, Finland, Poland, northeast Germany, and the eastern coast of Sweden. The distance to London is 587 miles and to New York 3,554 miles. As long ago as 1100 the famous Danish statesman, Biskop Absalon, who tamed the wild tribes of the Baltic and converted them from fierce pirates to peaceful traders, recognized the strategic position for a great harbor of the little fishing village, and turned it into a trading center for the Baltic, renaming it København, which means merchants' harbor. Through the extension of trade, Copenhagen grew rapidly, soon becoming the largest of the Danish towns, and it was made the capital, residence of the King, and seat of Parliament, and became the metropolis of the north.

Legislation creating at Copenhagen the first great free port in the north was enacted in 1891, and the port was opened November 9, 1899, by the Free Port Co. under an 80-year concession. It has a land area of 128 acres, a water area of 82.5 acres, with a depth throughout of 31 feet, and a bulwark length of 15,660 feet. There are main warehouses and private warehouses, electric power plants, railroad connections, and extensive sidetracks. The main warehouses have a total floor space of about 77 square miles. There are two silo warehouses, each accommodating 11,000 tons of grain. Facilities include 40 electric cranes, 7 steam cranes, 3 grain elevators discharging direct from ship, and several dry docks, the largest holding 14,000 pounds. Under the free-port system there are no customs duties and no interference by customs officers with goods unloaded, loaded, or transhipped within the limits of the free port. Goods for delivery in Denmark are subject to the regular tariffs. The American shipper may ship to final destination on through bill of lading or to the free port on optional bill of lading, selecting final destination after delivery at the free port, or he may ship on consignment direct to the company's warehouses for storage until sale is made and then order transshipment. There are no warehouse charges on transit goods for the first two weeks. The Free Port Co. has invested about 20,000,000 kroner in construction. The Danish Government reserved the right to take over the port and all assets of the company after 25 years by paying off the bonds and buying the stock at the average quotation for the preceding 10 years, but not below par nor above 125. The capital of the company is 4,000,000 kroner. Of the eight directors, two are appointed by the Danish Government, two by the Copenhagen Harbor Board from among its own members, and four are elected by the stockholders. Extensions to cost 15,000,000 kroner are under way.

#### DENMARK'S ADVERSE TRADE BALANCE VERY HEAVY.

The foreign trade of Denmark shows a large adverse balance, but this is more than offset by the invisible balance, and the adverse trade balance has been greatly reduced in the last three years. The adverse balance is shown in the following figures:

	Imports.	Exports.	Adverse balance.
1919.....	\$2,394,000,000	\$740,000,000	\$1,654,000,000
1920.....	2,943,000,000	1,591,000,000	1,352,000,000
1921.....	1,544,000,000	1,383,000,000	161,000,000
1922.....	1,448,000,000	1,173,000,000	275,000,000

The most important exports to the United States were butter, to the amount of \$1,500,000 last year, hides and skins, \$562,000, works of art, cement, chemicals, flint, seeds, and wool. The principal imports are coal which Denmark ceased buying in the United States last year, salt, corn and other grains, oil cake and meal, coke, oilseeds, cotton, iron rods and plates, oranges and dried fruits, rice, coffee, sugar, wheat flour, petroleum, gasoline, and fuel oil. The grain, other than corn imported in 1922, was about half the import of 1913, while the import of corn, which, as everywhere in Europe, is used only as animal feed, was about 9 per cent greater. The increased import of corn was due to low prices, and the decreased import of other grains to the increased home production due to the war stimulus. Great Britain has always been the principal market for butter, eggs, milk, and cream, and takes most of the pork. Butter, hides, seeds, and wool make up most of the exports to the United States, although the value of butter exported decreased from approximately \$5,000,000 in 1921 to \$1,300,000 in 1922. There was a large export of agricultural products to the United States in 1920, but it has decreased, due to the rise of the Danish crown. The trade of Denmark with the United States for the last year was as follows, showing a tremendous balance in favor of the United States:

Year.	Imports from the United States.	Exports to the United States.
1912.....	\$15,942,678	\$3,467,351
1913.....	18,617,053	2,466,910
1914.....	41,945,344	3,844,827
1915.....	73,506,999	2,743,603
1916.....	56,329,490	3,040,396
1917.....	32,408,890	977,453
1918.....	11,353,845	795,418
1919.....	163,957,478	6,201,750
1920.....	85,074,419	20,575,140
1921.....	39,508,648	8,854,996
1922.....	35,639,373	4,163,781
1923 (9 months).....	4,814,900	1,846,044

In a conference at the chamber of commerce at Copenhagen the complaint was made that while Denmark imports 60 per cent of her oil cakes from the United States, the United States charges an 8 per cent duty upon Danish butter, although American cotton and other products are admitted by Denmark free of duty. The Danish exporters urged that the United States reduce the duty on butter in recognition of the tremendous Danish imports of American products. They claimed that the duty charged on Danish exports amounted to 40 per cent.

Denmark suffered severely from deflation and its effects were still bad in 1922. While the wholesale price level remained stable through the year, at about 80 per cent above pre-war level, cost of production was reduced and the ships idle in 1921 were kept busy, freight rates were so low as to leave little or no profit, the principal export staple, agricultural products, was not very profitable because of low prices, and conditions did not return to normalcy. Because of European conditions, the great and profitable markets of Russia and central Europe were practically closed. There were 789 firms in bankruptcy in 1922, as against 708 in 1921 and 310 in 1920, 77 companies went into voluntary liquidation as against 55 in 1921, and 19 in 1920, and 173 companies went out of business. Denmark apparently felt the full effect of the deflation period later than many other countries. The retail price level fell from 237 in July, 1921, to 212 in January, 1922, and 199 in July. There was a net increase of 15 ships, with total tonnage of 55,000, all the pre-war shipping routes were operated and a new route opened to the southern ports of the United States. There was a serious depression in the fisheries industry, due to the inability of Germany to buy. During 1923 there has been a steady improvement in commercial and financial conditions. Agricultural products found a better market and retail business was good. Wholesale prices advanced 22 points to 202 on basis of pre-war. Industry is working at about 80 per cent capacity. Unemployment amounts to only 21,000.

#### SERIOUS CRISIS IN BANKING.

As in Norway, the banking situation has been very serious. Several banks have closed their doors and others have been forced to reorganization. In January, 1922, the Copenhagen Discount and Revisions Bank was obliged to write off 26,000,000 kroner of its total capital of 48,000,000, the entire surplus of the previous year, and 9,000,000 kroner of its reserves. New shares to the amount of 14,000,000 kroner were issued and taken up by the National Bank of Denmark, and 20,000,000 kroner were loaned to it by several of the larger banks. After this reorganization the bank had a working capital of 60,000,000 kroner, consisting of 38,000,000 capital, 2,000,000 surplus and the 20,000,000 loan. A few months later the Landmansbank, the bank most active in international commerce and finance, notified the Danish National Bank that it was on the verge of collapse. This bank was established in 1871, had absorbed several old established

banks, and on January 1, 1922, had a capital of 100,000,000 kroner, and a surplus of over 50,000,000. Although the statement showed large profits for 1921, it was known that the bank had suffered through the Transatlantic Co. and several other wartime enterprises, and its stock dropped from 123 in March to 110 in July. An investigation showed a loss of 144,000,000 kroner. To avoid a general panic, Parliament authorized the Government to aid in reorganization. The entire surplus of 50,000,000 kroner and 90,000,000 of the capital were written off and new preferred stock to the amount of 90,000,000 was subscribed by the National Bank of Denmark, the East Asiatic Co., and the Great Northern Telegraph Co., while the National Bank of Denmark provided a new surplus fund of 30,000,000. The Government also guaranteed a credit with the National Bank. These plans proved futile, as it later developed that the bank had incurred further losses with the Transatlantic Co., requiring writing off 230,000,000 kroner, which decreased the new capital to 40,000,000. Deposits were steadily decreasing and it was decided that the only way to save the bank and avert a very serious banking panic was a Government guaranty.

Accordingly, on February 4, 1923, Parliament passed a blanket Government guaranty act. This proved effective. Two banks at once deposited with the Landmansbank 50,000,000 and 25,000,000, respectively. In March private deposits increased 4,000,000 and in April 84,000,000. On May 1 private deposits aggregated 766,000,000 and bank deposits 111,000,000, a total of 877,000,000. The statement showed a gross profit of 22,900,000 for 1922 and a net profit of 12,800,000, allotting 10,600,000 to write off bad debts. A number of smaller banks were forced to close. The total amount of bank losses is estimated at 400,000,000 kroner, all of which fell upon the stockholders, no depositor incurring a loss.

The Danish crown rose steadily from 6.45 to the dollar in 1920 to 5.65 in 1921 and 4.79 in 1922. Par is 3.75. This rise was checked by the collapse of the Landmansbank in July, and the crown fell slightly and remained low for the remainder of the year. There has been no recovery in 1923, the value in November being 5.60, which is slightly lower even than the 1921 figure. This is probably due to the adverse trade balance.

Government finances are in good condition and improving through careful management and sound policy. The budget for 1921-22 showed revenues, 498,600,000; expenditures, 555,100,000; deficit, 56,500,000; 1922-23, revenues, 332,600,000; expenditures, 361,800,000; deficit, 29,200,000; 1923-24, revenues, 407,150,000; expenditures, 405,035,000; surplus, 2,115,000. Thus, in two years a deficit of 56,500,000 is converted into a surplus of 2,115,000. War-time salaries of Government employees were reduced with the lowered cost of living, saving the Government 44,000,000 kroner annually. Expenses of railroad, mail and telegraph services were reduced 39,000,000 annually. By economy and careful administration these state services now show a surplus in place of the heavy deficits of the last few years, amounting to over 25,000,000 for the past year in place of a deficit of more than twice that amount. The same policy in the city of Copenhagen changed a deficit of 15,000,000 to a surplus of 9,000,000. The national debt is one of the lowest in Europe, amounting to \$80 per capita. The note circulation now has a gold base of 53 per cent, about equal to that of Germany before the war.

#### WONDERFUL RESULTS OF COOPERATION.

Denmark is distinctly agricultural. Farmers predominate and control the Government, one of the principal activities of which is to protect and encourage agriculture. About 95 per cent of the entire area of the country, nearly 9,000,000 acres, is devoted to farming, of which nearly 40 per cent is for fodder and grazing. From an area about the size of one congressional district in our prairie States Denmark exported last year 210,000,000 pounds of butter, 10,000,000 pounds more than in 1913; 800,000,000 eggs, double the 1913 figure; 230,000,000 pounds of bacon, slightly less than in 1913. "The main cause of the wonderful results in Denmark," said the late Hon. M. F. Egan, our former ambassador, "are the misfortunes of the Danes and their way of meeting these misfortunes; that is, by education, cooperation, and the intelligent assistance of the Government." Education came first. A far-seeing clergyman, Bishop Grundtvig, realized that Denmark's knell as a military nation had been sounded and that the people must be taught to make the best of life upon the soil and, with prosperous agriculture, to cultivate content and happiness in the walks of peace. And he stirred the patriotism of the people to establish high schools, where farmers and their wives and daughters and grown sons could learn what they needed to know to get the most out of their land and the best out of life. These high schools are not like ours—finishing schools for boys and girls; they are for the grown-ups, and no Danish farmer or housewife is content until sooner or later he or she takes the full course. The Danes are the best educated people in the world, perhaps not culturally, but in training for practical needs. Education is compulsory and is practical from infancy. The high schools have not only made the Danes first-class farmers, who amass a competence on land on which an American would starve, but they have solved the problem of making rural life agreeable; they have taught the Danish farmers to trust one another, to place above all else the solidarity of Danish interests, to practice cooperation.

Cooperation sprang from necessity; it fell on the richest soil in the world, prepared by the high schools for the harvest. The disastrous war with Prussia in 1864 cost Denmark a large slice of the small territory warring nations had left her, and Bismarck's protective tariff of 1879, which was to make his new empire self-supporting and independent, at a blow crushed Danish agriculture, for Denmark was a grain country and its market was Germany. Denmark went to raising cattle. Followed a tariff by Bismarck which shut out Danish cattle and beef. With extinction as a nation and the long-hated and dreaded absorption by Germany imminent, Denmark turned to dairy cows, pigs, and poultry. And because the little farmer could not export to a foreign country his little side of bacon or crock of butter or basket of eggs, and because the high school had taught him that he was one small individual in a nation where all had the same interest and the same problems, of necessity and as a matter of course he turned to cooperation. No Raiffeisen or Karolyi was needed. His whole education and life training had prepared him for it. His salvation was to unite with his neighbors in cooperative societies to gather in bulk and export to England, eager to absorb all Denmark could produce. And thus without an apostle, without propaganda, without Government encouragement, of a birth like Topsy's—it just grew—agricultural cooperation came into being and permeated all Denmark.

A cooperative dairy was the first venture, in 1882. The first cooperative abattoir and bacon-curing factory came in 1887 and the first egg-exporting society in 1895. In four years there were 86 creameries; from 1886 to 1890, 628 were established; from 1890 to 1895, 169; from 1895 to 1900, 119; from 1900 to 1905, 68; from 1905 to 1909, 87; a total of 1,157, with 157,000 members. Of the 182,313 dairy farms, with 1,282,254 cows, 154,568 farms, with 1,059,956 cows, were in cooperative dairies—86.1 per cent of the farms and 83.3 per cent of the cows.

In 1912 there were 1,390 cooperative distributive societies, with 203,800 members, about one-tenth of the population, and they had a yearly sales turnover of 593,000,000 kroner. In 10 years they had increased to 1,805, with membership of 337,535, considerably more than one-tenth of the population, and they had annual sales of 1,248,100,000 kroner. The increase in business is very large notwithstanding general conditions. Unlike the Raiffeisen unions of Germany, which serve practically all of the needs of the farmer, the Danes have a different society for each field—marketing, bacon curing, egg exporting, breeding, insurance, purchasing, credit, etc.—and the farmer is a member of as many of these societies as cover the activities in which he is interested. The standard cooperative organization is adhered to: First, the local union, then the district society, then the Scandinavian Wholesale Society, which handles all foreign trade. Cooperation has even extended to the industrial field, and there are cooperative manufacturers of soap, chemicals, margarine, candy, sugar, etc. The dairy societies have 180,000 members in 1,335 societies and export butter to a total of 34 per cent of the country's export. As English Rochdale societies buy direct, it is safe to say that 50 per cent of the butter export is handled by cooperative societies. As elsewhere on the Continent where cooperation is effective, there are milk-testing societies, which keep the milk up to grade. The cooperative societies have standardized all products at a high quality, which is one of the best results of cooperation. Cooperation has been universally successful in Denmark because of good management, the willingness of the Dane to accept specialized advice and conform to standards and, perhaps above all else, his unwavering loyalty to his cooperative society, without which there can be no success. The export of the cooperative dairy societies last year comprised 95,501 tons of butter, 146 tons of cream, 207 tons of fresh milk, and 8,923 tons of cheese. There are now 35 cooperative bacon factories, which accept pigs only between 140 and 150 pounds, and handle 85 per cent of all pigs slaughtered. There are 550 egg-exporting societies, which handle about 25 per cent of the egg export. Cement societies have grown rapidly of late and now export 20 per cent of the product.

There is no lesson the American farmer can learn as important as cooperation; there is no better teacher or example than the Danish farmer.

The cooperative credit system started in 1850, when a law was passed by Denmark allowing state loans to landowners. During the next seven years there were six credit associations formed in Denmark, founded on the law of 1850. Some years later Norway and Sweden established the same contacts with their producers, and loans were granted by the Governments through societies. During 1880 Denmark passed a law which set aside a special sum of money that could be loaned to small landowners. Farmers could obtain loans up to one-half of the value of their land and two-fifths the value of their buildings. No member could benefit by the new law who had lands and buildings over \$1,100. Further, these loans had to be repaid within 45 years.

The modern Scandinavian credit associations are operated by a board of directors and are composed of both private and governmental concerns. Grants are made only as first mortgages and then never to the maximum allowed by law, operating something like the building and loan societies in the United States. The Government societies operate under the Department of Interior and Agriculture. From

1890 to 1912 the Danish Government societies loaned \$6,500,000, by which 6,000 farms were started and a larger number helped; out of this the total loss amounted to only \$2,500. During 1920 a movement was started whereby state and church properties were portioned off and a total of 198 farms were created.

This whole movement led to the establishment of the Cooperative Bank in 1914 at Aarhus, Denmark. It was composed of 236 societies, and specially helped dairies. By 1918 it had 30 branches in the different Danish villages.

There was a class that still were uncared for up to 1898, namely, the very small farmers. So, in March, 1898, the Danish Government, through the Department of Agriculture, loaned about \$1,500,000 to societies that should make small short-term loans—9-month periods. It is interesting to note that about 50 per cent of this sum was loaned to the small holders, in sums not exceeding \$50. The village banks played a prominent part in this loan and acted as a medium for the farmers.

Very largely because of the teachings of the high schools and the profitable farming, due to cooperation, the Danish farmer is well satisfied and there is small chance of securing any considerable number of these very desirable immigrants to the United States. Denmark has never reached its allotted quota, the total immigration being between 8,000 and 9,000 annually.

#### PUBLIC-SCHOOL EDUCATION IN DENMARK.

Denmark has an extended educational system comprising a number of primary, high, and university schools. Most of the schools are public, but some are operated by private interests. The Government controls all schools through a board of education. This board is represented in the various communes by the local school board, generally made up of the pastor, a city official, and two or three laymen. This board controls the examination, grading, vacations, training of teachers, and general economic matters of the schools. The greater part of the elementary schools are operated by the communities in which they are located. However, the Government supplies one-third of the cost of operation and the parents of children attending are taxed. This tax is very small, persons having a yearly income under \$1,000 being exempted, and those receiving over this amount being taxed proportionately up to \$4.

The length of the school year is about 41 to 46 weeks. All children between the ages of 7 and 14 years are compelled by law to attend school, and fines are imposed for absences unwarranted. The teachers are trained by the Government, are mostly men, and have a high social standing in the country. There are 21 institutions devoted to this training.

The primary school is called the folkeskolen. Pupils of 7 to 14 years of age attend this school; there is no control of examinations and no completion certificates issued. Subjects taught are religion, Danish, writing, arithmetic, geography, history, natural history, gymnastics, and songs. These schools are founded in every town and community.

The junior high school, or mellemskolen, is the next step in education and comprises pupils of 11 to 15 years of age. Children are sent to this school from the folkeskolen, as the teachers and local board direct. The subjects taught are religion, Danish, writing, history, natural history, physics, chemistry, algebra, geometry, English (4 years), German (3 years), drawing, sewing (girls), gymnastics, and song. The board of education partly controls the examination, and graduation certificates are issued.

A school called the realklassen succeeds the junior high school for pupils who wish to enter commercial, technical, and agricultural special schools. The course is one year in length and treats the same subjects as does the junior high.

The final step in the general public school education is the senior high school or gymnasiet. Students of the ages of 14 to 18 years are admitted and are here prepared for the universities. There are three courses, namely, the classical course, Latin, Greek, and the main subjects; the modern language course, English, German, and the main subjects; the scientific course, mathematics, physics, chemistry, and the main subjects. The main subjects, common to all, are religion, Danish, French, history, gymnastics, and song.

Besides these schools there are established in Denmark 800 people's high schools, which accept pupils of the ages of 18 and 30 years. They have two terms, one of five months in the winter for men, and one of three months in the summer for women. These schools are mostly patronized by farmers' sons and daughters, artisans, and young tradespeople. There are no entrance requirements nor finishing examinations. The pupils are taught principally by lecture courses on main subjects, gymnastics, religion, etc.

Trade schools and agricultural schools are existent throughout Denmark. Some of the trade schools are open from 7 to 10 o'clock in the evening, but the majority of the trade and all of the agricultural schools are day schools. There are 20 of the latter, which teach scientific farming by work both in the classroom and on a nearby model farm. The trade schools are supplied with materials by the

community or Government, and whatever the students make they keep. Admission to these schools is generally granted after the student has completed the year's work in the realklassen school.

Finally, there are the two large universities, namely, the University of Copenhagen and the National Polytechnic Institute. The University of Copenhagen has schools that specialize in the fine arts, the professions, and commercial education. The Polytechnic Institute comprises schools for the study of scientific perfection in engineering, factory, mechanical, architectural, and electrical work. A graduation certificate from the senior high school course is sufficient to fill entrance requirements. The activities of the universities are controlled by Government authorities.

#### THE SCANDINAVIAN WHOLESALE SOCIETY.

The Scandinavian Wholesale Society, the only one of its kind in the world, was formed about 1918, to combine the importing activities of the Danish Cooperative Wholesale Society, the Swedish Cooperative Union, and the Norwegian Cooperative Union. It looks for its profits to the commissions collected from acting as purchasing agent for its members, and does not carry stocks or manufacture.

Each member paid 50,000 Danish crowns per 10,000,000 Danish crowns of business done in 1917, in cash. Five per cent interest is allowed on this capital. Profits are carried to reserve until the latter equals the sum of the cash contributed by the members, and only after that can distribution of profits occur. The profits are then distributed according to each member's purchases. The reserve is also used to cover any losses sustained; if it proves insufficient, then members are assessed as necessary. Each member's liability is limited to the amount of capital he puts in.

Control over the management of the society is exercised by a general assembly, composed of 2 members from each member society, and 12 other members, elected originally on the basis of 4 from each society, but subsequently according both to each member's share of the capital and to the business done by the member in the previous year. A provision that no society can have more than 7 members of the assembly prevents any one society from obtaining control.

The assembly elects an executive board of six members, with six substitutes, which transacts all the business of the society, and publishes the annual report of its activities.

Each member is expected to send to the society any offers that it may receive of commodities for sale, with details as to price, origin, etc. Thus the society is constantly informed of its members' needs and the possibilities of satisfying them.

The Scandinavian Wholesale Society began modestly, but has already proved its value, and may be expected to increase its operations steadily. Based on confidence not only between the societies composing it but also between the three neighboring nations, in all of which the cooperative spirit has obtained a firm hold, it is built on a firm foundation, which its success can only strengthen.

#### RECOMMENDATIONS AND SUGGESTIONS.

As detailed in the reports on the three countries, there is in Scandinavia a field for American products well worth cultivating. Sweden imported in 1920 American goods to the amount of \$158,382,896, almost equal to the imports from Great Britain and exceeding those from any other country. This was an unusual year and this total could not be maintained, but it continues large enough to merit careful attention. Norway imported \$31,242,516 last year, and Denmark \$35,639,373; making a total of approximately \$170,000,000. There is another strong argument for cultivating the Scandinavian field, and that is the possibilities of transit and reexport trade through the free ports. If settled conditions in Europe come, which under existing conditions is probably too much to hope for, there will be a vastly increased market in central Europe.

#### TRADE OPPORTUNITY IN RUSSIA.

During the last two years Russia has practically abandoned communism and is not far from a settled and normal condition. Retail trade has returned to its old channels of buy and pay. Russia will have 2,000,000 tons of surplus grain to export next year, instead of living on American charity, and Russia is quite ready to agree with the United States where this grain shall be shipped, in order to protect the world wheat market. Although the Government is becoming stable and no longer radical to a degree, it can not be recognized by the United States until Secretary Hughes's conditions are met. Still, President Coolidge has expressly stated that there is no objection to American citizens doing business with Russia, and Col. William N. Haskell, who directed the American relief, which terminated in July, told this commission that the Russians appreciated all the United States has done for them, and are eager to show their appreciation by giving American trade the preference.

Here are two strong reasons for the study and cultivation of close and increasing trade relations with the Scandinavian countries. American business should appreciate the advantage of the personal contact.

#### INCREASED CONSULAR SERVICE NEEDED.

The United States has a consul general, consul, and two vice consuls at Copenhagen, Denmark; a consul general and two vice consuls at Christiania, consul and vice consul each at Bergen and Stavanger, Norway; consul general and two consuls at Stockholm, consul and vice consul each at Goteborg and Malmo. There is also a trade commissioner at Copenhagen, who is supposed to perform the impossible task of covering three great countries, each with different trade conditions and internal conditions. In a conference at Copenhagen, M. Valleur, of the foreign office, contrasting the policy of the United States with that of the Scandinavian countries, explained that the very limited consular representation was probably a question of expense, but that Denmark, for example, had consular representatives all over the United States, many of them local residents, serving without salary. It is apparent that the United States, in its foreign consular service policy, has failed to recognize the very great importance to our export trade of direct commercial contact through consular representatives. In the proposed reorganization of the Consular Service this should be given careful consideration. There should be a trade commissioner each in Sweden and Norway, as well as in Denmark, and the consular representation should be increased.

#### EXECUTIVE CONSIDERATION OF TARIFF SUGGESTED.

The tariff unfortunately is a political question, and consequently can not be discussed by this commission. The Congress has given the President the power to raise or lower tariff rates within fixed limits. Denmark in 1922 bought \$35,000,000 goods from the United States, \$10 for every dollar it sold to us. In the first nine months of 1923 these imports had dwindled to \$4,814,906, less than three times the exports. At a conference in Copenhagen this situation was set forth by Danish shippers, with the statement that they were turning to Russia. It is respectfully suggested that the effect upon our trade of present tariff rates upon Danish exports to the United States may be worthy of Executive consideration.

#### A STATE POLICY FOR HYDROELECTRIC POWER.

In some of our Western States with great undeveloped hydroelectric power resources the policy of the State taking over the resources and developing them, rather than the present policy of private commercial development, has been advocated to some extent, but without resultant legislative action. It is suggested that in such States a study of the Swedish hydroelectric power policy will at least be interesting and valuable.

#### SELECTIVE IMMIGRATION RECOMMENDED.

The question of immigration is a serious one in the United States. The sentiment is almost universal that we can no longer be a melting pot nor a haven for the riffraff of Europe. The bars must be put up against the undesirables, but there must be an open gate for such prospective patriotic American citizens as the Scandinavian farmer. Prospective immigrants should be examined in their native countries and only the desirable given credentials which will permit them to enter. The Government should keep photographs, a brief history, and identification of each immigrant, and keep an eye upon him for a term of years. Further, the immigrants should not be allowed to crowd at will into overcrowded cities or labor markets, but should be subject to Government direction to farms in the far West or South or industrial establishments where they are actually needed. The question of the quota and basing it on the 1890 or other census are details for the Congress to work out.

#### A NATIONAL POLICY OF REFORESTATION.

The American people have not yet awakened to the supreme necessity of a national policy of reforestation. Under existing taxation systems it is impossible for the individual timber owner or logger to take upon himself the burden of reforestation. In addition to the expense he is simply inviting taxation, continuously increasing, upon property from which he can receive no return for from 30 to 60 years. Reforestation is a vital national need. It must be met by the Federal Government and State governments, and a national policy should be adopted and developed.

#### PRACTICAL EDUCATION A GREAT NEED.

We have always prided ourselves upon our public-school education, and yet the percentage of illiterates shown by the war examinations was so much greater than in the Scandinavian countries or in Germany that our Government figures seem preposterous. Our present-day theory of government differs from that of our forefathers in that we no longer look with fear and trembling upon any governmental activity that smacks of paternalism. On the contrary, we recognize and approve as a proper and necessary function of government caring for the welfare and improving the condition of the people. In fitting the boys and girls for making their way in the world, in equipping them with a practical education that can be converted into bread and butter, we have fallen woefully short. There is a very clear lesson to be learned from Denmark and from other European countries. Education is of so great importance that a place should be provided in the President's Cab-

net for a secretary of education, and under his direction and advice a complete system of practical education—vocational, agricultural, industrial—should be provided by every State in the Union. The secondary agricultural and industrial schools in each congressional district in Alabama and Georgia are a step in the right direction and might well be adopted in all States. In many of the States there should be schools of forestry and courses in forestry. The principles and practical working of agricultural cooperation should be made a major subject in every agricultural State, and information and instruction therein should be given the farmers all over the State by traveling experts. The Federal Government might well assist in the vital work, both with money and by providing skilled instructors and organizers. Cooperative marketing is the salvation of the American farmer; prosperous agriculture is the backbone of the Nation; therefore it is a proper and necessary function of government to spread the doctrine and the knowledge of the practical working of cooperative marketing through the length and breadth of the land. The American rural-credit commission, which studied in Europe in 1913 under the direction of the Southern Commercial Congress, emphasized the importance and need of cooperation. This importance and need have increased with each passing year. They should be recognized and acted upon.

CLARENCE J. OWENS,  
Chairman.

RALPH METCALF,  
Vice Chairman and Executive Secretary.

WASHINGTON, D. C., December 1, 1923.

#### ORIGIN OF THE WORLD WAR.

Mr. OWEN. Mr. President, I ask permission of the Senate to submit a resolution (S. Res. 186) to be referred to the Committee on Foreign Relations, asking that committee, through a committee of experts, to examine into the question of the origin of the war, which I think is a matter of very great importance, because the treaty of Versailles is based upon the conception that the German authorities alone were responsible. While I think it was quite clearly established that the spirit of militarism which they built up helped to bring Europe to a point of explosion psychologically and from the military point of view, there has been developed a very great deal of evidence to show that the actual beginning of the war was brought about by three or four men in St. Petersburg, Sazonoff, the minister of Foreign Affairs, Sukhomlinoff, the minister of war, Isvolski, the Russian ambassador at Paris, and several gentlemen who were in the foreign office at Paris at that time. Just this morning there came in from the Public Printer a Senate document entitled "The Secret History of a Great Betrayal" by E. D. Morel, a member of the British Parliament, giving the facts from the British standpoint and fully sustaining what I presented on the floor of the Senate on December 18 last.

Until the world knows what the truth is, until a correct diagnosis is made of the beginning of the great World War, a proper and adequate remedy can not be devised. It is therefore of vital importance to the world that there should be ascertained by competent authority, men trained in historical research, who will examine the now well-known and well authenticated records, and declare the facts and the evidence upon which the conclusion is based so that the world may formulate a definite and well-matured opinion as to what the origin of the war was. When that shall have been done Europe will find peace, and not until then, in my opinion. For that reason I have framed the resolution which I ask to submit and to have referred to the Committee on Foreign Relations for its consideration.

The PRESIDING OFFICER (Mr. JONES of Washington). Is there objection to the request of the Senator from Oklahoma? The Chair hears none.

Mr. NORRIS. May I ask the Senator if he will not have the resolution read?

Mr. OWEN. I shall be glad to have it read.

The PRESIDING OFFICER. The Secretary will read the resolution.

The resolution (S. Res. 186) was read and referred to the Committee on Foreign Relations as follows:

*Resolved*, That the Committee on Foreign Relations shall cause to be prepared for the Senate an authoritative and impartial analysis and abstract of all evidence heretofore made available in printed form, or otherwise readily accessible, including documents, memoirs, narratives, and other relevant and authentic material bearing on the origin of the World War, including within the purview of the inquiry an examination of the consequences of international alliances, understandings, and agreements during the quarter century preceding 1914 and the conclusions of the committee of inquiry as to those responsible for causing or promoting the World War of 1914-1918.

2. The Committee on Foreign Relations is authorized and directed to appoint a "committee of inquiry" of not less than seven or more than nine men, trained in historical research, to assemble and analyze this evidence, applying to it reasonable and scientific rules of legal and historical criticism, and summarizing the conclusions to which it points. This committee shall not be composed of persons in the Government service. They shall serve without compensation, but shall be reimbursed for their actual and necessary traveling expenses and for their maintenance while actually engaged in the work of the committee shall receive an allowance not exceeding \$9 per diem. The Committee on Foreign Relations shall have authority to employ such additional clerical service as the committee of inquiry may require. The office of the committee of inquiry shall be in the Committee on Foreign Relations, or elsewhere as determined by the Committee on Foreign Relations. All expenditures incidental to the formation and operation of the committee of inquiry, and the printing of its reports, shall be paid from the contingent fund of the Senate.

3. The committee of inquiry shall file an interim report with the Committee on Foreign Relations on or before the last day of November, 1924, and shall submit its conclusions to the Committee on Foreign Relations not later than 10 days before the constitutional expiration of the Sixty-eighth Congress.

#### ADJUSTED COMPENSATION FOR WORLD WAR VETERANS.

Mr. ROBINSON. Mr. President, I do not intend to enter into a general discussion of measures proposing adjusted compensation to former service men nor at this time to discuss statements recently made in the Senate concerning such legislation. There is a phase of the subject I think should be mentioned in connection with the debate of this afternoon.

Whatever may be the viewpoint of a Senator as to whether the Congress should enact a measure providing for the adjustment of the compensation of our soldiers and sailors, surely no one can be indifferent to the considerations which should prompt every man and woman who lives under the flag of our Republic to treat with kindness if not with generosity—to accord respectful consideration to the men who maintained our cause on foreign battle fields during the World War. There is a feeling widespread and growing that ingratitude has sown itself in the hearts of the American people and that in order to lighten the burden of taxation which we all find grievous our obligations and our duty to the gallant men who saved the Nation in the greatest crisis of world history may be disregarded or forgotten.

A curious illustration of that tendency is found in the conduct of General O'Ryan, who served, I believe, as leading counsel for the special committee of the Senate which some time ago completed its investigation into the management and administration of the Veterans' Bureau. He performed his task with vigor and aggressiveness. There were associated with him voluntarily hundreds of doctors, lawyers, and others interested in the work of the committee, many members of the American Legion. The only motive of those volunteer workers was to perform an honest and substantial service to former service men. After the committee had concluded its labors General O'Ryan took advantage of the information which he had obtained, of the associations which he had formed, and of the organizations which he had effected in a great cause which challenged the support of every patriotic citizen.

Mr. ODDIE. Mr. President, I ask the Senator from Arkansas to yield to me for a moment.

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Nevada?

Mr. ROBINSON. I yield.

Mr. ODDIE. I wish to state that, so far as I know, no member of the committee had any knowledge of the action of General O'Ryan to which the Senator from Arkansas has just referred.

Mr. ROBINSON. Mr. President, I am sure that is true. I am sure that every member of the committee is embarrassed and shamed by the advantage which their former counsel sought to take of the men who had voluntarily associated themselves with him in an earnest effort on their part to refine the administration of the Veterans' Bureau and make it serve the interests of the sick and injured soldiers and sailors of the Republic.

Mr. WALSH of Massachusetts. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Massachusetts?

Mr. ROBINSON. I yield to the Senator from Massachusetts.

Mr. WALSH of Massachusetts. I have just been in attendance on a meeting of the committee which is investigating the Veterans' Bureau. I have not heard all that the Senator from Arkansas has said and I do not know just what Gen-

eral O'Ryan's connection is at present with the propaganda movement to which the Senator has undoubtedly referred, but it will interest the Senator to know that General O'Ryan was offered by the Attorney General an appointment to prosecute the cases that appeared to need prosecution as a result of our investigation. I protested, and the other members of the committee joined in the protest, against anyone being employed by us to investigate into the condition of that bureau turning himself into a prosecutor, we contending that that was the function of another department of the Government and that there ought not to be any association by our attorney and the members of our committee with the work of the Department of Justice.

Mr. ROBINSON. Of course, Mr. President, it ought not to be necessary to employ a special prosecutor in every case that arises or which it is found necessary to bring on behalf of the Government of the United States. There ought to be among the many lawyers who are in the employ of the Department of Justice some one who could prosecute some of the cases brought by the Government or in the interest of the agencies of the Government of the United States.

Mr. SMOOT. And the Senator knows there are some such lawyers.

Mr. ROBINSON. And undoubtedly there are attorneys in the Department of Justice who are able to try lawsuits. However, Mr. President, when I was diverted I was stating that General O'Ryan, who had been employed by the special committee as counsel in the investigation, had effected an organization consisting for the most part of ex-service men, doctors, and lawyers, the members of which were scattered throughout the United States. By reason of the community of interest, by reason of the association that was formed during the work of the investigating committee of the Senate, the relationship of General O'Ryan and the members of that organization assumed a quasi confidential nature. On the 14th of February the press carried the announcement that General O'Ryan had deliberately sought to convert this organization into a bureau of propaganda for the defeat of adjusted-compensation legislation and for the enactment of the so-called Mellon plan for tax reduction. The American Legion resented his course and criticized it in a statement published throughout the country.

Mr. President, the American Legion is a patriotic organization. It is composed of men who believe in the principles of this Government and who have demonstrated their loyalty to our flag by service in the Army and Navy of the United States. One can not asperse that organization as mercenary. Since the day when the armistice was signed its officers and its members have stood for the Constitution, for the honor of the flag, for respect for law, and for the maintenance of law and order. The members of that organization have the right to feel and to express disappointment, not to say resentment, that the man who had occupied the relationship to them of counsel—not technically employed by them as such, but under every moral consideration their lawyer—had taken advantage of them and sought to convert the organization which they had helped him to make for their benefit into a contemptible propaganda bureau to defeat their most important measure. Unblushingly, without apology, blind to every sense of propriety, he sent this letter, and I quote from an Associated Press report:

You were one of those recommended to aid in an investigation of the Veterans' Bureau and who accepted the call. I am writing to ascertain whether you will now enlist in another cause.

The letter then outlines the Mellon plan, calling attention to its desirable features, and then continues:

If you feel as I do, concerning the Mellon plan, would you undertake, either directly or in cooperation with others, to help organize a committee in your State or section of the State to aid our national committee in furtherance of the Mellon plan?

I do not say that he had not the legal right to send such communications through the mail. I do not say or imply that he acted unlawfully, but I do assert that it was unkind; that it disclosed a failure or inability properly to appreciate his relationship to the men who had rendered him assistance in the work of investigating the Veterans' Bureau.

It does not lie in the mouth of you, sir, who voted to require one man to perform military service and to exempt another; of you who said that one shall be taken and the other shall be left; of you who called from home and peaceful pursuits the men of this country and compelled them by law to perform military duty; of you who took advantage of the opportunity to secure enlarged profits can not complain of being taxed to pay a bonus. He who invested his money in Liberty bonds and then boasted of his patriotism; who took the highest rate of interest

that the Government would pay and sought and found tax-exempt securities so that for all time he should be relieved from contributing to the support of the Government can not be heard to complain. It does not lie in the mouths of the men who stayed at home and enjoyed safety and prosperity to talk about "commercializing patriotism" by a readjustment of compensation to soldiers and sailors.

Mr. REED of Pennsylvania. Mr. President, I am chairman of the special committee by which General O'Ryan was employed as counsel. General O'Ryan finished his work as counsel and made his final report early in January, and it was not until after he had finished his work for us and had submitted his final report that he took up the work to which the Senator from Arkansas has just referred. General O'Ryan had made many acquaintances in the course of his investigation; he had done a fine piece of work; he had been in communication with former service men all over the country, and he had a perfect right, in my judgment, to write to those men whom he came to know in that fashion to ask them if they wanted to join with him in this committee to promote the success of the Mellon plan.

Mr. ROBINSON. Mr. President, will the Senator yield? The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Does the Senator from Pennsylvania yield to the Senator from Arkansas?

Mr. REED of Pennsylvania. I yield.

Mr. ROBINSON. Of course, no question of legal right arises.

Mr. REED of Pennsylvania. No.

Mr. ROBINSON. But I ask the Senator from Pennsylvania, knowing his great experience as a lawyer, whether he thinks it was ethical and fair for General O'Ryan to avail himself of the organization formed in his work for these men to oppose what they believed to be their interest by forming this propagandist organization?

Mr. REED of Pennsylvania. The Senator from Arkansas, Mr. President, has put his finger on the exact point at issue. General O'Ryan, himself a soldier with a tremendously fine record of service in battle, is one of the great many soldiers who do not think that the bonus measure ought to be passed. Not because he thinks it is commercializing patriotism, not because he thinks that the soldier did not serve splendidly at a very low rate of pay, not for any such reason as that, but because he feels, just as I feel, that if the bonus is paid to the service men they themselves will have to pay it.

I think that many of the reasons advanced against the bonus are sheer buncombe; there are many of the arguments against a bonus that make me want to vote for the bonus against my better judgment.

Mr. BROOKHART. Mr. President—

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Iowa?

Mr. REED of Pennsylvania. I do.

Mr. BROOKHART. The Senator says that if this bonus is paid the soldiers themselves will have to pay it. Does that mean that there is no legal way in which to compel the rich men of this country to pay their taxes themselves?

Mr. REED of Pennsylvania. I am glad the Senator asked that question, because that is exactly the point that I hope I can make clear; and I beg the Senator to let me make my explanation without interruption, because I assure him that it will be directly responsive to his question.

Mr. President, I believe that the men of the generation who fought in the war are the people who are paying the taxes and will continue to pay them. I believe that the soldier group, the earners of the country—for that is what they are, now that they are back in civil life—are the people who not only would have to pay the bonus but they are the people who will have to pay the Liberty bonds that are now outstanding. That is true whether they pay income taxes or whether they do not. If they buy a pair of shoes to-day they are paying a large part of the price of those shoes in taxes, and yet we talk of reaching the rich man. Heaven knows I should like nothing better than to be able to devise some system of taxation which would put the burden on the rich men, especially those who got rich out of war contracts; but we all know, if we will be honest with ourselves, that the rich men of the country to-day are not paying big taxes. They are all safe in their dugouts, where they are bombproof, and we have helped to make them bombproof—we in Congress. We have supplied—

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. REED of Pennsylvania. Let me finish my sentence. We have supplied the tax-exempt securities in which they take refuge. We have supplied in the income tax law the various deductions for depreciation and charging off losses

to which all the rich men fly for refuge, and it is the money earners to-day who are paying the big taxes. They are the people I am looking out for, and they are the same people as the men who fought in the war.

Mr. ROBINSON. Mr. President, now will the Senator yield? Mr. REED of Pennsylvania. I yield.

Mr. ROBINSON. I can not refrain from expressing surprise that the Senator from Pennsylvania—who is the chairman of the special committee to investigate the Veterans' Bureau—has, in an indirect if not a direct way, approved of the action of General O'Ryan.

Let me say to the Senator from Pennsylvania that the picture which he has just painted of my country and of its recognition of its obligations to these soldiers is not one which I recognize. The substance of his statement is that having been compelled to fight the battles of the country, at great risk to their lives and at great loss to their economic resources, they are now compelled to pay all the taxes. Mr. President, the people of the United States never will accept the conclusion of the Senator from Pennsylvania in that respect.

Mr. REED of Pennsylvania. Mr. President, I yielded for a question. I did not understand that I was to be taken off the floor.

Mr. ROBINSON. No; I did not say that I wanted to ask a question. I said I wanted to make a statement.

Mr. REED of Pennsylvania. If the Senator will allow me to finish—

Mr. LODGE. Mr. President—

Mr. REED of Pennsylvania. I yield to the Senator from Massachusetts.

Mr. LODGE. I only wish to ask a question. Surely the Senator from Pennsylvania does not mean that all the taxes of the United States are paid by the soldiers of the war.

Mr. REED of Pennsylvania. No, Mr. President; I do not mean that all the taxes of the United States are paid by the soldiers of the war.

Mr. LODGE. Only a minority of the taxes. They pay their share, of course.

Mr. REED of Pennsylvania. Of course, they pay their share; but I say that the workers of the country, of whom the soldiers form a very substantial part, are the people on whom the present tax burdens rest most heavily; and I make no apology for the statement, because I believe it thoroughly.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. REED of Pennsylvania. I yield to the Senator from Tennessee.

Mr. McKELLAR. Does the Senator have any doubt about the great body of the soldiers being in favor of this adjusted compensation?

Mr. REED of Pennsylvania. I believe that a majority of the soldiers are in favor of this adjusted compensation bill; yes.

Mr. McKELLAR. Does not the Senator think that nearly all of them are?

Mr. REED of Pennsylvania. No; I do not think that nearly all of them are.

Mr. McKELLAR. I just wish to call attention to three telegrams I have received to-day from my own State.

Mr. REED of Pennsylvania. Oh, well, Mr. President, I have yielded for a question. Will not the Senator let me finish, and then read the telegrams?

Mr. McKELLAR. Yes; Mr. President, when the Senator finishes I will put them in the Record, so that the Senator can see and the Senate can see the unanimity which exists with regard to the soldiers' bonus.

Mr. REED of Pennsylvania. Mr. President, when we talk of unanimity it is fair for me to remind the Senate that in 1919 the annual convention of the American Legion voted against the bonus, and when I stand here and oppose it I am doing just what my comrades did when they came back from the war. They opposed it. They said in 1919: "We do not want any." Now, we talk a lot of foolishness here in the Senate about propaganda. Everything is propaganda that we do not happen to agree with in our own particular thought at the moment. You think that General O'Ryan's letters are propaganda against the bonus. I think that something else is propaganda against the Mellon plan; and all it comes down to is that it is one white man airing his views to his fellow countrymen, and he has a perfect right to do it, and I think that a great many of our arguments are very silly.

Mr. ROBINSON. Mr. President, of course I know that the Senator from Pennsylvania did not mean to apply that statement to any argument that has been recently made in this debate.

Mr. REED of Pennsylvania. I do not apply that statement to any argument that the Senator from Arkansas ever has made.

Mr. ROBINSON. The Senator from Arkansas is not sensitive upon that subject.

Mr. McKELLAR. Mr. President—

Mr. REED of Pennsylvania. Nor do I apply it to the Senator from Tennessee. I am speaking entirely of Senators who are past and gone.

Mr. ROBINSON. Mr. President, I think it is pertinent to state in this connection, with the indulgence of the Senator from Pennsylvania, that no one questions the legal right to carry on propaganda. No one questions that when a legislative measure is pending before the Senate, a powerful interest in the Senator's State or mine has the legal right to induce citizens to communicate with us in an effort to influence our votes and our speeches here.

Mr. REED of Pennsylvania. Mr. President, while the Senator from Arkansas was addressing the Senate a while ago he made many statements with which I did not agree, but I thought I had better wait until he had finished, and answer him all at once; and I hope he will accord me the same courtesy. I am not going to talk very long.

Mr. ROBINSON. The Senator has that right, of course; but I have only one or two more sentences to utter to complete the thought that I had in mind.

Mr. REED of Pennsylvania. I yield to the Senator.

Mr. ROBINSON. There is no law in the United States against propaganda, and there can be none, in all probability under the provisions of our Constitution. While one has the legal right to organize forces to influence legislation or to influence the heads of departments of the Government, there is a moral question involved, particularly when one occupies the relationship of counsel; and, in my judgment, it is an abuse of the freedom of propaganda, the freedom of speech and of the press, to form an association for a purpose which every one recognizes as laudable and necessary and then to utilize the information obtained to the detriment of the persons who have permitted themselves to become a part of that organization.

Of course I have never questioned General O'Ryan's legal power to write these letters; but I want to say to the Senator from Pennsylvania, that he is the only lawyer whom I have heard express himself upon this subject who has not indicated that he felt that there was an impropriety in the course which General O'Ryan pursued.

Mr. REED of Pennsylvania. Now, Mr. President, if I may proceed for a minute or two without accompaniment, I should like to explain why I think a tax-reduction is to the interest of the men who fought in the last war.

I believe that in opposing the bonus—as I do, and expect to continue to do—I am working for the interest of men who fought in the war. I know that most of them do not agree with me, because they have been coached by what I would have once called propaganda. They have been coached, at all events, by their friends or pretended friends to believe that it is to their interest for Congress to pass this adjusted compensation bill and keep taxes high. I do not believe that is to their interest, and I am not spending one minute in thought or worry about the men who made their money during war time. They have taken care of themselves precious well already. They are not paying taxes. We have had it proved over and over again. Look at Rockefeller's estate. He got rich during the war, or got richer, and when he died two-thirds of all he had was safe away from the reach of taxation by either the Nation or the State. Then we talk about taxing the rich men, and we know perfectly well that we do not do it.

I know a man at home who in 1901 sold out a great factory to one of the large combinations then being formed, and he got then \$8,000,000 for what he sold, and he has not gotten any poorer since, and that man has never yet paid one red cent of income tax since the law was passed in 1913. When we talk about taxing the rich men, I know from my own experience and from my observation of his estate in the newspapers that we are not talking sincerely, or at least we are not talking accurately, because the taxes that we aim at those men never touch them. They are going right over the shoulders of those men, and they are hitting the earning class in this country to-day.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. REED of Pennsylvania. I yield.

Mr. McKELLAR. The Mellon bill, which the Senator spoke of just a few moments ago, is already dead. The House has

effectually killed it; but the tax-reduction measure will be over in the Senate in a short time.

The Senator makes the very extraordinary assertion that the rich men of this country are not paying taxes, that they are evading them. Will not the Senator join the rest of us in seeing that all classes of our citizens pay their proper proportion of taxes as the Congress fixes it? I do not know what the information of the Senator from Pennsylvania is, but if these men are not paying their taxes it is the duty of this Congress to see that they are made to pay them.

Mr. REED of Pennsylvania. Mr. President, that is fine. I want to tell the Senator that when the tax bill, in whatever form it gets out of the House, comes over here to the Senate I expect to offer two amendments, and I hope the Senator will remain of the same mind, because I want his support for those two amendments.

One of them is going to be an attempt by Congress to put a tax on these things that we call tax-exempt bonds, because I believe that under the amendment to the Constitution which authorizes us to tax incomes "from whatever source derived" there is a real chance of our being able to tax these bonds that we have called tax exempt. That is the first thing.

Next, I am going to offer an amendment giving earned income the same privilege that our rich men now have for their capital gains; that is, to make a separate report of them, and pay a flat 12½ per cent tax. We have in our present tax law a provision that enables me to get off with 12½ per cent tax if I sell some building at a profit. I want to get that same privilege for the man who works for his money. I do not want to see Caruso, and men of talent like him, taxed 65 per cent, as he was in the last year of his life, while the Rockefellers get off with nothing.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. REED of Pennsylvania. I yield.

Mr. McKELLAR. Will not the Senator take another step and say that he will support an amendment that will give absolute publicity to all tax returns, so that the American people can see who are paying their taxes? As it is now, they are covered up. We do not know whether a taxpayer who should pay high rates of income tax is actually paying them, or whether he is putting his property in some phony corporation for the purpose of escaping the high brackets of the income tax, and is simply paying a corporation tax or, perhaps, none.

I am informed that they are evading taxes in that way, directly in conflict with the law we passed in 1921. Will not the Senator join us in passing a law providing for publicity of tax returns, so that the American people can see who is paying the taxes?

Mr. REED of Pennsylvania. No; I do not think I will.

Mr. McKELLAR. I am sorry the Senator will not, because that is the most important matter of them all. We pay our county taxes and State taxes, and we know what our neighbors are paying. There is no secrecy about it. Yet when it comes to the paying of the income tax we do not know whether Mr. Rockefeller or Mr. Ford or Mr. Mellon or any other taxpayer is paying his just proportion, and even a Congressman can not get the information. I wrote to Mr. Mellon a few days ago asking him about an income tax that was in direct question, brought into question by the taxpayer himself, and the Secretary wrote me that no Senator had a right to look at a tax return in his office. I say that the crying need of tax reform in this country is publicity of tax returns. Let the light of publicity fall into all these matters and we will not have great corporations going to the Treasury Department and getting refunds and rebates and settlements by which they save enormous amounts, untold millions of taxes. I say that all the reforms will be brought about if you simply have publicity of tax returns.

Mr. REED of Pennsylvania. Mr. President, I seem to have difficulty in having my thoughts appear in sequence. I beg the Senator to allow me to finish what I have to say in answer to his question.

I do not believe there has ever been any doubt in anybody's mind but that the income tax has been applied by the Treasury Department and the Bureau of Internal Revenue up to the letter of the law. I had quite a little to do with tax decisions before I came into the Senate, and my experience indicated to me that under both the Democratic administration and the Republican administration there was an honest effort by the Treasury Department to collect the last cent. I do not think any comparison can be made between the two administrations. I think the Bureau of Internal Revenue in both administrations has enforced the law vigilantly, and in some cases it has seemed to me much too harshly; but I guess that was the fault of the law and not the fault of the bureau.

Mr. OVERMAN. May I ask the Senator a question?

Mr. REED of Pennsylvania. I yield to the Senator.

Mr. OVERMAN. I am very much impressed with the amendment the Senator says he intends to introduce, that is, providing for the taxing of receipts derived from tax-exempt securities. Has the Senator read the Supreme Court decision on that subject?

Mr. REED of Pennsylvania. I have read the Supreme Court decision.

Mr. OVERMAN. And the Senator thinks that under the Supreme Court decision we can levy the tax?

Mr. REED of Pennsylvania. I do not think it is a dead open-and-shut question, but I believe the probabilities are that if Congress clearly shows its intention, the Supreme Court will sustain the law.

Mr. OVERMAN. I so contend, and have contended with my colleagues, that whenever that question shall be brought up to the Supreme Court directly, and they meet it face to face, they will decide in favor of that doctrine.

Mr. REED of Pennsylvania. That is my own belief. I think the strong probability is, and I hope very ardently, that Congress will express its intention to tax those securities, because at the present moment they are a sore spot in our whole scheme of taxation. They are being grossly abused, and when I say abused I do not mean that the men who buy tax-exempts are reprehensible. A rich man who is subject to a high surtax to-day would have to get an absolutely secure 10½ per cent bond to furnish to him the net equivalent of a municipal that pays 4½, and, of course, nobody can find an absolutely secure 10½ per cent taxable bond.

Mr. McKELLAR rose.

Mr. REED of Pennsylvania. I beg the Senator to let me finish. I think I have been reasonably generous in yielding.

Mr. McKELLAR. Very well.

Mr. REED of Pennsylvania. There are in this country to-day a number of men who constitute a small and talented group. I speak, first, of the architects, men like Gilbert, the architect of the Woolworth Building, one of the loveliest structures on this round globe. Let us consider his case for an instant. Mr. Gilbert received a large fee for the designing and superintending of the construction of the Woolworth Building, and it came to him practically all in a lump, all in one year. It represented not only many years of study in professional schools and many years of early hard work when he was living on a bare pittance, but many years of building up an organization of draftsmen and assistants in his office. When he got his fee it was not the income of one year. It was the harvesting of the accumulated capital of his lifetime, and yet he had to pay a surtax of over 60 per cent on that fee.

We do not mean to take such fees from our men of talent. Surely we all see the unfairness of that. The Woolworth Building was built, the fee was collected, and the big tax was paid. Then a couple of years passed during which the same organization had to be kept up, during which fees were small. Then came a great statehouse which he built, a very beautiful thing, and again he was taxed a high rate. Those two intermediate years were years of dead loss, when his tax alone amounted to more than his income.

Let me take the case of Caruso, whom I have mentioned before. Caruso paid \$165,000 in income tax in the last year he lived. He was the sweetest singer of our time, a man who gave as much to his fellow creatures as anybody we have ever known to live. Caruso had to sing \$500 worth every day before he could begin to pay his grocer. Surely we never meant to produce a result like that. He was the greatest money earner the opera stage has ever seen, and when he died he was worth about \$1,400,000. Contrast that figure with the tax he paid during the last year, as well as the year before, when it was practically the same. He was paying the equivalent of 12 per cent on all the property he had in his annual taxes to the Federal Government alone.

Mr. William Rockefeller, whose estate was made public at about the same time, was paying taxes on the income of one-third of his estate, and if you will figure that out at the highest surtax rate it would amount to less than 1 per cent of the capital that he, William Rockefeller, owned at the time of his death.

That is the contrast under our present laws, the rich man paying less than 1 per cent of his capital, and the money earned by this great artist paying over 12 per cent of all he had.

Then let us turn to another field and take Doctor Mayo, for example, the leader of the medical profession in this country. I suppose the two Mayo brothers are about the most distinguished doctors in America. Surely nobody has ever served his fellow men better than they have done. Yet, Mr. President, whenever

Doctor Mayo performs an operation in December of any year the invisible hand of the taxgatherer reaches in and takes 58 per cent of the fee he earns by that act of mercy. Think of that. That is what he is fined for hard work. It is a penalty on talent, a penalty on effort, a penalty on genius, and surely none of us want our tax laws to work out such a result as that.

So I think the suggestion that earned incomes, what they call in some of the books on economics "exertion" incomes, are entitled to the same consideration from Congress as is the profit that results from the sale of a building or of a hundred shares of stock, the tax on which we limit to 12½ per cent. Congress has worked out a most inconsistent result.

This is a little bit afieid from the remarks I started to make in answer to the Senator from Arkansas. What I mean is this: I am opposing the bonus for just one reason, one alone, and I have not any sympathy with about nine-tenths of the reasons that opponents of the bonus advance. My idea is that the best thing we can do for the young men of America to-day is to get rid of the tax burden that hangs on their backs, and that is my reason for voting "no" on this so-called adjusted compensation bill.

I want to add this: If this bill passes, the service men of the country will feel a bitter disappointment when they find out what is actually in it. To begin with, it will be found that they will be bitterly disappointed when they discover how long it will take to put the law into operation.

I am told that The Adjutant General of the Army expects to gather together a force of 2,000 clerks to issue the certificates which will be required under this bill, if it becomes a law, and that with those 2,000 clerks working steadily he will not be able to issue all the adjusted-compensation certificates until well along into the year 1925. That is worth remembering when we talk about immediate relief.

Another thing: If my correspondence is any indication of the way the service men feel who are advocating this bonus, all of them think they are going to get a lump sum in cash. I have had only one letter out of hundreds in which the man said that he was going to take the home-buying option. All the rest of them talk about the hardships they are under at the moment in being unable to pay their rent or to pay their doctor's bill, and things of that sort, and they do not realize that if this bill passes most of them will not get one red penny to pay the rent or the doctor or anything else for 20 years. They do not realize that what they will get will be a piece of paper payable at the end of 20 years, on which they can not even collect interest in the meantime. They do not realize that fact yet, but if this bill passes in the form in which it was in the Senate last year they are going to realize it with a great shock of disappointment.

That is why I believe that in the long run this thing is not going to benefit the service men as they and the friends of the measure think it will, and that is why I am opposing it.

ATTORNEY GENERAL DAUGHERTY.

Mr. WHEELER. Mr. President, I ask unanimous consent that the unfinished business be laid aside temporarily and that I be permitted to bring up the resolution (S. Res. 157) providing for an investigation of the Department of Justice.

Mr. SMOOT. Mr. President, I understand from the Senator from Montana that it will not take very long to discuss the resolution which he desires to call up at this time. Therefore, I ask unanimous consent that the Interior Department appropriation be temporarily laid aside for the consideration of the Senator's resolution.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Utah? The Chair hears none, and it is so ordered.

Mr. WHEELER. Mr. President, I send to the desk the resolution as it is modified. At the request of the senior Senator from Ohio [Mr. WILLIS] I have stricken two paragraphs out of the resolution which were objected to by him, and which read as follows:

Whereas it appears that said Harry M. Daugherty has lost the confidence of the President of the United States, as exemplified by the President's statement that he intends to employ, at great expense to the Government, special attorneys not connected officially with the Department of Justice, indicating that this department can not be trusted with the prosecution of the cases which have arisen by reason of the disclosures before the Senate Committee on Public Lands and Surveys and the United States Veterans' Bureau; and

Whereas said Harry M. Daugherty has lost the confidence of the Congress of the United States and of the people of the country, and the Department of Justice has fallen into disrepute,

At the request of the Senator from Ohio I have eliminated those two whereases. I want to say to the Senate that that in no wise changes the resolution itself.

I have also modified the resolution by naming in it the Members of the Senate whom I desire to have investigate the Department of Justice. I appreciate that in doing this I am departing somewhat from the usual custom. When the resolution was first introduced I asked that the full Committee on the Judiciary investigate the matter. I was informed by the chairman of that committee that because of the work of the members of the Committee on the Judiciary it would be almost impossible for that committee to undertake the task. I then attempted to agree with the Senator from Ohio [Mr. WILLIS] upon the membership of a special committee. I want to be frank with the Senate and with the Members of the Senate and to say that in this instance I want a real investigation. I want to know that the Department of Justice will be thoroughly investigated. When I introduced the original resolution asking that the Senate go on record as requesting the resignation of Mr. Daugherty, in an interview given out to the press he asked for an investigation, or, rather, he asked that Senator WHEELER and those interested with him be permitted to go before some committee and lay their complaint before that committee and that he be given an opportunity to lay the whole matter before the Senate.

Let me say to the Members of the Senate that I do not intend to fall into the same trap that was set for the Member of Congress who introduced an impeachment proceeding in the House. If the Members of the United States Senate or anybody else in the country will read the proceedings which took place before the House committee on those impeachment proceedings, he can not help but come to the conclusion that instead of trying to impeach Mr. Daugherty the man who introduced the resolution was in reality tried. So in this instance I am endeavoring to see to it that the committee is so named that there will be a real investigation.

Ever since the Attorney General has occupied the important position which he now holds various charges have been made against him in the newspapers and by individuals from one end of the country to the other. Recently when the oil scandal first developed it appears that the Attorney General's name was mixed in it. It appeared, if you please, that he was a friend of Ned McLean. Everybody knows that he was the friend of Sinclair. Everybody knows that he was the friend of Doheny. Everybody knows that those three men met in the apartment of the Attorney General from time to time. Everybody knows that Jess Smith, who was brought from the State of Ohio and had an office in the Department of Justice, and who was not on the pay roll, was accepting money in connection with various cases that arose in the Department of Justice.

The newspapers in New York carried the details of how the Attorney General's former partner and friend, Mr. Felder, was collecting money for the purpose of selling offices, appointments, and for the dismissal of whisky cases in the city of New York. Everybody who knows anything about the history of the matter knows that other friends and confidential advisers of the Attorney General of the United States were collecting money and were giving as their reason for collecting it that they could use influence with the Attorney General of the United States of America. Of course it is very difficult to trace these matters and to show by his close personal friends that he accepted this money. It recalls to my mind distinctly how a good many years ago, when I was a young attorney starting out to practice in the city of Butte, Mont., an individual came to me and said that he had been paying the county attorney for protection. He said there had been a man collecting money for the county attorney. I went to see the county attorney of that county and he said to me "I have not accepted anything from those men." I said to him, "If you have not received the money you are a bigger fool than the people think you are, because it is being collected for you." So I say that if the Attorney General has not actually got the money that has been collected in these various cases from one end of the country to the other he is a bigger fool than the people of the United States give him credit for being.

Not only that, but when the startling testimony came out in the oil investigation that McLean had given money to Fall there was not any prosecution. Then when McLean subsequently testified that he did not give the money and when the testimony was produced that Mr. Fall got the money from Doheny, that the money was sent in a sack by Doheny's son, and taken in connection with the other testimony given by Doheny upon a subsequent occasion, what effort was made on

the part of the Attorney General or the Department of Justice to arrest or prosecute Fall? On the contrary he was allowed to be at large. He was allowed to stay in the house of Sinclair's lawyer. Throughout the entire investigation not one scintilla of evidence has been offered to the committee by all or any of the investigators of the Department of Justice. Here the Congress of the United States has appropriated a million dollars for the detection and prosecution of crime. We have employed the Burns Detective Agency, one of the most renowned detective agencies in the world, and we find the Department of Justice, instead of trying to detect the greatest crooks and those guilty of the greatest crimes against the Nation that have ever been perpetrated, we find the Department of Justice protecting them all during this time; we find them protecting them to-night, because I am reliably informed that only last Sunday the Attorney General of the United States held a conference with Ed McLean.

Then what do we find? We find the Attorney General of the United States going down to Palm Beach and there consulting with Mr. McLean. When the newspapers carried the story that McLean was about to testify as to his connection with the oil scandal and that it would expose Mr. Daugherty, we find Mr. Daugherty immediately getting in touch with Mr. McLean again. This is only a small portion, an extremely small portion, of the testimony that will be produced before the committee, showing, beyond any question of doubt to my mind, that the Attorney General of the United States, the highest law officer in the Nation, instead of prosecuting crime has been protecting crime and criminals.

I say to you Senators on the other side of the Chamber that this is not a question of Democratic or Republican politics. A veiled threat was held out over me to the effect that if a certain man testified, it would involve some Democrats as well as Republicans. I say to the Senators here to-night that it makes no difference to me whether there are Democrats involved or whether there are Republicans involved. The greatest duty that we can perform is to show up the crooks, whether they are Republicans or whether they are Democrats.

I propose in my resolution to name the members of the committee in order that I may know and in order that the people of the country may know that there is going to be a fair and an impartial investigation of the Department of Justice, and that if the Attorney General is guilty he will be driven from public office and driven into oblivion.

And that if he is not guilty, if the things that have been told in the public press about him, if the things that have been told by various individuals about him are not true, then his name will be cleared. I am not unmindful of the fact that men who occupy the position that he occupies, or similar positions, are sometimes charged with things of which they are not guilty. I am not unmindful of the fact that many prosecuting lawyers have enemies who sometimes want to get even. But, Mr. President, the evidence in this case, if it be true, would warrant one in thinking that the Attorney General of the United States of America, now occupying the highest legal position in the Government, is guilty of many crimes.

I have therefore provided in the resolution that there be named upon this special committee the Senator from Iowa [Mr. BROOKHART], the Senator from Washington [Mr. JONES], the Senator from Connecticut [Mr. McLEAN], the Senator from Arizona [Mr. ASHURST], and myself. If Senators upon the other side of the Chamber really wish to get at the bottom of this matter, if they really wish to uncover crooks, if they really wish this investigation, the committee which I propose will give it to them. If they do not wish it, if they desire to cover the matter up, if they desire otherwise to protect the Attorney General of the United States, then I am quite sure they will vote against the resolution. I submit the resolution as modified, and I ask unanimous consent for its immediate consideration.

The PRESIDENT pro tempore. The Secretary will read the resolution as modified.

The reading clerk read the resolution (S. Res. 157) as modified, as follows:

Whereas the Federal Trade Commission has conducted investigations of alleged violations of the Sherman Antitrust Act and the Clayton Act against monopolies and unlawful restraints of trade and has transmitted to the Attorney General the record of more than 50 such investigations, indicating a violation of said acts, for the initiation of such proceedings for the enforcement of the law as the Attorney General may be advised to make; and

Whereas the Attorney General has taken no action upon said records transmitted to him by the Federal Trade Commission for the

purpose of securing indictments against the parties named therein and has brought no proceedings for the prevention of such violations by injunction or otherwise except in two cases; and

Whereas the evidence presented several months ago before the special committee of the Senate investigating the United States Veterans' Bureau disclosed acts of negligence and corruption on the part of officials of the United States Veterans' Bureau and others, and no action has been taken by the Department of Justice to prosecute the officials and persons alleged to have acted illegally and corruptly; and

Whereas several weeks have transpired since the evidence was presented, and disclosures were made before the Public Lands and Surveys Committee of the Senate charging past and present public officials of the Government and others with conspiracies to defraud the Government, violations of law and corrupt practices, and no prosecutions have been undertaken; and

Whereas no action has been taken by the Department of Justice in prosecuting to a conclusion the so-called war-frauds cases: Therefore be it

*Resolved*, That a committee of five Senators consisting of Senators BROOKHART, McLEAN, JONES of Washington, WHEELER, and ASHURST be authorized and directed to investigate the circumstances and facts, and report the same to the Senate, concerning the failure of Harry M. Daugherty, Attorney General of the United States, to properly prosecute violators of the Sherman Antitrust Act and the Clayton Act against monopolies and unlawful restraint of trade; the neglect and failure of the said Harry M. Daugherty, Attorney General of the United States, to arrest and prosecute Albert B. Fall, Harry F. Sinclair, E. L. Doheny, C. R. Forbes, and their coconspirators in defrauding the Government, as well as the neglect and failure of the said Attorney General to arrest and prosecute many others for violations of Federal statutes, and his failure to properly, efficiently, and promptly prosecute and defend all manner of civil and criminal actions wherein the Government of the United States is interested as a party plaintiff or defendant. And said committee is further directed to inquire into, investigate, and report to the Senate the activities of the said Harry M. Daugherty, Attorney General, and any of his assistants in the Department of Justice which would in any manner tend to impair their efficiency or influence as representatives of the Government of the United States.

*Resolved further*, That in pursuance of the purposes of this resolution said committee, or any member thereof, be, and hereby is, authorized during the Sixty-eighth Congress to send for persons, books, and papers; to administer oaths and to employ stenographic assistance at a cost not to exceed 25 cents per hundred words; to report such hearings as may be had in connection herewith, the expenses thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof may sit during the sessions or recesses of the Senate.

The PRESIDENT pro tempore. The Senator from Montana asks unanimous consent for the present consideration of the resolution.

Mr. WILLIS obtained the floor.

Mr. LODGE. Mr. President—

Mr. WILLIS. I yield to the Senator from Massachusetts.

Mr. LODGE. I suppose no one is opposed to a proposal to investigate any department of the Government, but it seems to me that this resolution contains something that is entirely new in the practice of the Senate. Never before, either under Democratic or Republican control, have I known a reflection of this kind cast upon the Presiding Officer of the Senate. Never on this side of the Chamber when there has been a Democratic Presiding Officer has such a thing been suggested as taking out of his hands the appointment of a committee and that it be appointed from the floor of the Senate. The Senate is at this moment thin, and I think the matter of the selection of the committee, particularly as proposed in the resolution, ought to go over.

The PRESIDENT pro tempore. The Chair is of the opinion that under the statute it is the duty of the Chair to refer the resolution to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. LODGE. I was about to say that, but the Chair cut me off. I desire to say that I think that the subject of which I have spoken ought to be considered, and the Senators ought to have an opportunity to consider the names of Senators proposed in the resolution for appointment on the committee. It would be impossible to vote on the resolution now.

I was also going to make the point that under the law the resolution must be referred to the Committee to Audit and Control the Contingent Expenses of the Senate in any event.

The PRESIDENT pro tempore. The resolution will be so referred.

## INVESTIGATION OF TREASURY ESTIMATES ON SOLDIERS' BONUS.

Mr. HARRISON. I ask unanimous consent to call up Senate Resolution 164, and ask for its immediate consideration.

Mr. WADSWORTH. I ask that it be read for the information of the Senate.

The PRESIDENT pro tempore. The Senator from Mississippi asks unanimous consent for the present consideration of a resolution, which the Secretary will read.

The reading clerk read the resolution (S. Res. 164) submitted by Mr. HARRISON on the 18th instant, as follows:

Whereas in a speech delivered in the city of New York on the 17th day of February, 1924, Hon. Thomas W. Miller, Allen Property Custodian, is reported to have stated that a high Treasury official admitted that the Treasury Department estimates on the cost of the World War veterans' bonus were juggled to deceive and that each time Congress asked for a revised estimate the Treasury Department increased its previous estimates because it was felt necessary to use stronger and stronger arguments against the bonus each time it came up before Congress; and

Whereas the question of enacting a World War veterans' adjusted compensation measure is now pending in the Congress: Therefore be it

Resolved, That the Finance Committee of the Senate be directed to investigate said charges.

The PRESIDENT pro tempore. The Senator from Mississippi asks unanimous consent for the immediate consideration of the resolution.

Mr. WADSWORTH. I object, Mr. President.

Mr. WILLIS. Reserving the right to object, I desire to make some observations.

Mr. WADSWORTH. I have objected.

Mr. LODGE. Objection has been made.

Mr. HARRISON. I move that the Senate proceed to the consideration of Senate Resolution 164.

Mr. WILLIS. On that I desire to be heard.

The PRESIDENT pro tempore. The Senator from Mississippi moves that the Senate proceed to the consideration of the resolution which has just been read. The Senator from Ohio is recognized.

## ATTORNEY GENERAL DAUGHERTY.

Mr. WILLIS. Mr. President, I think it is improper that the observations made by the Senator from Montana [Mr. WHEELER] should go unchallenged, even though his resolution has been referred to the committee and is not now technically before the Senate.

In line with what has been said by the Senator from Massachusetts [Mr. LODGE], while my legislative experience in the Senate has been brief—and I had also brief experience in another legislative body—I have never, in what little experience I have had, known of such an insult being offered the presiding officer of a legislative body as is offered in the proposed resolution. Is it possible, Mr. President, that we have come to the time in the history of the Senate when the Presiding Officer is not to be trusted at all and that a Senator who desires an investigation, as he says—and I do not question his purpose—shall himself, the Senator who offered the resolution, in order that the investigation shall be entirely free and fair, appoint the committee and name himself as one of that committee? That is the most amazing proposition that I ever heard advanced in a legislative body.

Mr. WHEELER. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Ohio yield to the Senator from Montana?

Mr. WILLIS. Certainly.

Mr. WHEELER. Let me ask the Senator if he himself, after conferring with the Attorney General, did not suggest to the President of the Senate who should go on that committee?

Mr. WILLIS. Certainly; I conferred with the President of the Senate, and if his resolution had been adopted in another form I expected the Senator to do that. The President of the Senate is not apart from other people; and certainly I suggested names to him; but that is quite apart and quite a different thing from a Member of the Senate undertaking to name the members of a committee and then naming himself as a member of the committee. I never have heard of such a procedure.

Mr. WHEELER. I merely wanted to teach the Senator something new.

Mr. WILLIS. Very good.

Mr. WHEELER. Does the Senator from Ohio mean to say that the Attorney General, whom it is proposed to investigate, should be permitted to say who shall be on the committee that is going to investigate him?

Mr. WILLIS. Certainly not; I said nothing of the kind. I conferred with the Chair as it was my right to do, of course.

Mr. WHEELER. After consultation with the Attorney General.

Mr. WILLIS. Oh, well, that observation, like many others the Senator has made, is purely gratuitous.

The Senator says here "everybody knows this and everybody knows that." I want to put it straight to the Members of the Senate in perfect good feeling that if one-tenth of the charges that have been made here by the Senator from Montana are true, then, instead of there being an investigation, the Attorney General of the United States ought to be impeached, removed from office, disqualified to hold office, and be subjected to criminal prosecution besides.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. WILLIS. Certainly.

Mr. WHEELER. The Senator is perfectly well aware, is he not, of the fact that impeachment proceedings were attempted in the House of Representatives something like 18 months ago, when, as I have previously said, instead of trying the case against the Attorney General, the records of the House show that they tried the Representative in Congress who had the temerity to stand up and file those charges? I do not propose, if I can help it, to be tried by the Attorney General in this investigation, but I intend that he himself shall be investigated and tried.

Mr. WILLIS. Now, Mr. President, we have the Senator's statement, to which I do not object, as perhaps I might have done, because it is very unparliamentary to speak as the Senator has spoken of the proceedings of another legislative body, but I do not depend upon technicalities. I have read the proceedings in the impeachment case, of course. They were had before a committee of 21, made up of Republicans and Democrats, and, as I now recall, there was only one negative vote when the decision of the committee was reached. So the committee which had the facts and had the prosecuting witness before them whenever they could get him—as a matter of fact, he ran away in the midst of the proceedings—those who knew the facts did not reach the conclusion which my friend from Montana has reached. A very edifying discussion of that whole situation is furnished by a speech which I read just a day or so ago delivered by a very distinguished Representative from the State of Virginia, a member of that committee and a Democrat. So the views which the Senator now advances were voted down in the committee, made up of Republicans and Democrats, by a majority of 20 to 1.

But, Mr. President, this is not the place nor is this hour convenient to go into a discussion of these charges. I want to say to the Senate that if these charges can be maintained there ought to be an impeachment proceeding, and it will be found in this case that the party will not run away in the midst of the proceedings. Let us open up the doors. Let us give this man a fair trial. If we can not be Senators devoted to the best traditions of the Senate, let us at least be fair men and not undertake to blacken the reputation of men and of officials by mere unsupported statements.

Mr. President, I can but notice one of the charges made here, most sensational in its character. The Senator made a charge to the effect, as I understood him—and I am anxious not to misunderstand or misrepresent—that the Attorney General was accepting money. Did I misunderstand the Senator?

Mr. WHEELER. The Senator misunderstood me when he thought that I made a charge that the Attorney General accepted money for whisky cases. I said that his close personal friends, Mr. Felder, Jess Smith, and one or two others, had accepted money and that if the Attorney General did not receive it the people of the United States surely would think that he was a much bigger fool than they feel to-day that he is, because it was collected for him by his close, intimate, personal friends. Suits are pending to-day for the recovery of some of the money in Oklahoma, I am told, and in New York.

Mr. WILLIS. Mr. President, the response of my friend the Senator from Montana is indicative of his attitude of mind upon this question. Is a man to be convicted and his reputation blackened and his life ruined because the Senator says some friend of his accepts money? I of course do not defend any such action as that on the part of his friend or on the part of the Attorney General; but I venture it as my opinion that if this man has a fair chance to present the facts it will be demonstrated, even to the satisfaction of the Senator that the Attorney General has not received one single dirty dollar, and I challenge the proof of any such thing as that.

Mr. WHEELER. If the Senator will yield just a moment—

Mr. WILLIS. Certainly.

Mr. WHEELER. I certainly hope the Senator is right. I simply say that no one ought to blacken the Attorney General's

character, but we do want an investigation that will be an investigation, and we do not want it smothered.

Mr. WILLIS. I quite agree with the statement that we want a real investigation, and we want an investigation that indicates in its origin that the Member of the Senate introducing the resolution does not desire to insult the Chair and overturn the traditions of this body by himself designating the committee, and then, to make sure that the affair is fairly and ably conducted, appointing himself a member of the committee.

Without any objection to any of the Senators named in this resolution, but to preserve the traditions of the Senate and to resent the insult to the Chair, at the appropriate time, when this resolution comes back here, I shall move to strike out these five names, and insert a statement to the effect that it shall be a committee appointed by the Chair.

#### INVESTIGATION OF TREASURY ESTIMATES OF SOLDIERS' BONUS.

The PRESIDENT pro tempore. The question is upon the motion of the Senator from Mississippi [Mr. HARRISON].

Mr. WATSON. What is the motion?

Mr. HARRISON. I ask for the yeas and nays on the motion, Mr. President.

The yeas and nays were ordered.

Mr. WATSON. Mr. President, may we be apprised of what the motion is?

Mr. LODGE. What is the motion?

The PRESIDENT pro tempore. The motion is that the resolution referred to—

Mr. LODGE. I heard the resolution read, but I want the motion.

The PRESIDENT pro tempore. For information, the Secretary may again read the motion.

The READING CLERK. The Senator from Mississippi moves to proceed to the consideration of Senate Resolution 164, which reads as follows:

Whereas in a speech delivered in the city of New York on the 17th day of February, 1924, Hon. Thomas W. Miller, Alien Property Custodian, is reported to have stated that a high Treasury official admitted that the Treasury Department estimates on the cost of the World War veteran's bonus were juggled to deceive and that each time Congress asked for a revised estimate the Treasury Department increased its previous estimates because it was felt necessary to use stronger and stronger arguments against the bonus each time it came up before Congress; and

Whereas the question of enacting a World War veteran's adjusted compensation measure is now pending in the Congress: Therefore, be it

Resolved, That the Finance Committee of the Senate be directed to investigate said charges.

Mr. HARRISON. Mr. President, I am not asking for any unusual thing. I am merely stating what the Alien Property Custodian—who is a very splendid gentleman, and occupies a high place in this administration—has stated with respect to the action of the Treasury Department. I do not know whether the statement is true or not; but the regular committee dealing with this subject, the Finance Committee, presided over by the Senator from Utah [Mr. Smoot], and the other members of that committee, can investigate it.

The PRESIDENT pro tempore. The demand for the yeas and nays has been seconded.

Mr. SMOOT. Will the Chair present the question again to the Senate?

The PRESIDENT pro tempore. The question is upon proceeding to the consideration of the resolution.

Mr. LODGE. It is to be referred to the Finance Committee, which seems to me perfectly proper.

Mr. HARRISON. Mr. President—

Mr. NORRIS. Mr. President, may I have the attention of the Chair?

Mr. HARRISON. I do not want to ask for the yeas and nays if the Senator from Massachusetts says it is all right.

Mr. SMOOT. That is the reason why I asked that the Chair present the question again, after the Senator had made an explanation.

Mr. HARRISON. I do not ask for the yeas and nays, in view of that statement.

The PRESIDENT pro tempore. Does the Senator from Mississippi withdraw his demand for the yeas and nays?

Mr. HARRISON. I do. I want the resolution adopted. I see no objection to it; the Senator from Utah [Mr. Smoot], has no objection—

Mr. SMOOT. I have no objection.

Mr. HARRISON. And the Senator from Massachusetts [Mr. Lodge] has no objection.

The PRESIDENT pro tempore. The request for the yeas and nays is withdrawn. Those in favor of agreeing to the resolution—

Mr. WADSWORTH. Mr. President, the Senator from Mississippi asked unanimous consent for the immediate consideration of the resolution. I objected. He thereupon moved that the Senate proceed to the consideration of the resolution, and that motion is the pending question.

Mr. HARRISON. Yes.

The PRESIDENT pro tempore. It is the pending question, whether or not the Senate will proceed to the consideration of this resolution.

Mr. SMOOT. That is right.

Mr. NORRIS. Mr. President, I want to inquire about this resolution. Has it been reported from a committee?

Mr. LODGE. No.

Mr. NORRIS. Has it been just offered? Then an objection will put it over until to-morrow?

Mr. LODGE. No; it was presented yesterday.

Mr. NORRIS. That is all right, then.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Mississippi.

The motion was agreed to; and the Senate proceeded to consider the resolution.

The PRESIDENT pro tempore. The question is upon agreeing to the resolution.

The resolution was agreed to.

#### CHANGE OF REFERENCE.

Mr. JONES of Washington. Mr. President, Senate bill 1223, a bill authorizing certain Indian tribes to bring suit in the Court of Claims, was referred to the Committee on Claims. These are measures that are usually considered by the Committee on Indian Affairs, and I think the bill should go to that committee. Therefore I ask unanimous consent that the Committee on Claims may be discharged from the further consideration of Senate bill 1223, and that it may be referred to the Committee on Indian Affairs.

The PRESIDENT pro tempore. Is there objection? The Chair hears none. The Committee on Claims will be discharged from the further consideration of the bill, and it will be referred to the Committee on Indian Affairs.

#### EXECUTIVE SESSION.

Mr. LODGE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 8 minutes spent in executive session the doors were reopened, and the Senate (at 5 o'clock and 48 minutes p. m.) took a recess until to-morrow, Wednesday, February 20, 1924, at 12 o'clock meridian.

#### CONFIRMATIONS.

*Executive nominations confirmed by the Senate February 19 (legislative day of February 16), 1924.*

##### AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY.

Henry P. Fletcher to be ambassador extraordinary and plenipotentiary of the United States of America to Italy.

##### JUDGE OF UNITED STATES COURT FOR CHINA.

Milton Dwight Purdy to be judge of the United States court for China.

##### UNITED STATES DISTRICT JUDGE.

Franklin E. Kennamer to be United States district judge, eastern district of Oklahoma.

##### PROMOTIONS IN THE NAVY.

###### To be commander.

John B. Rhodes.

###### To be lieutenant commanders.

Harry P. Curley.

Eric F. Zemke.

###### To be lieutenants.

Mauritz M. Nelson.

Joseph W. McColl, jr.

Phillip H. Taft.

###### To be lieutenants (junior grade).

Julius A. Burgess.

Myron F. Eddy.

William B. Gwin.

Dolph C. Allen.

Arley S. Johnson.

Joseph G. Pomeroy.

Max I. Black.

*To be assistant surgeons with the rank of lieutenant (junior grade).*

Albert H. Faber.  
Lee T. Rector.

*To be assistant paymaster with rank of ensign.*

Joseph C. Molder.

*To be chief boatswains.*

Conrad T. Goertz.	William Borst.
Fred W. Atherton.	George Witham.
John B. Hardy.	Carl C. R. Christensen.
Louis King.	Herbert S. Kennedy.
William Murray.	

*To be chief gunners.*

Levi Herr.  
Arthur F. Gerloff.  
Holly C. Boots.

*To be chief machinists.*

Frederick P. Scott.  
Joseph A. Sanders.

*To be chief pay clerks.*

John R. Edwards.  
Walter W. Housley.  
Allen C. Smith.

POSTMASTERS.

CONNECTICUT.

Walter M. Slocum, New London.

ILLINOIS.

John D. Allen, Armington.  
George C. Schoenherr, Carlinville.  
John Cahill, Cherry.  
Sibyl J. Stanley, Keithsburg.  
Fred A. Meskimen, Robinson.

IOWA.

Abe Abben, Little Rock.  
Edna Hesser, Nichols.  
Frank H. Hoepfner, Traer.

MISSOURI.

James D. Kochel, Canalou.  
Mary D. Brooks, Clarkton.  
Ethel M. Cozean, Elvins.  
James W. Lochridge, Fayette.  
George Thayer, Flemington.  
Samuel H. Hudson, Granby.  
Joseph P. O'Hern, Hannibal.  
Paul Zeller, Hartsburg.  
John M. Schermann, Hermann.

NEW JERSEY.

Jacob D. Roe, Newton.  
Thomas E. Hunt, Penns Grove.  
Elsie Brown, River Edge.

NORTH DAKOTA.

Gustave A. Falk, Glen Ullin.  
Christian C. Reimers, Max.

PENNSYLVANIA.

Harry C. Myers, Holtwood.  
John H. Francis, Oaks.  
A. Milton Wade, Quarryville.  
Leroy H. Keisling, Valley View.

## HOUSE OF REPRESENTATIVES.

TUESDAY, February 19, 1924.

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O God, we would approach Thee by way of a living faith, as ones who are united to Thee by love and gratitude, and whose deepest desires are in harmony with the divine will. We would have Thy thoughts work in our thoughts, Thy choice rule in all our purposes, and Thy precepts color all the actions of this day. O spirit of the Christ, cultivate in all of us the sweetest flowers of love, sympathy, and service. Give us courage with tenderness, mastery with forgiveness, and strength with pity. In the solemnity of this moment may the blessings of divine care and Thy right arm of recovery be with that one

who has been so untimely and inhumanly stricken. Bless all free and Christian institutions and give great wisdom to him who presides over our country. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

LEAVE TO ADDRESS THE HOUSE.

Mr. JOHNSON of Kentucky. Mr. Speaker, I ask unanimous consent to address the House for five minutes upon a personal matter.

The SPEAKER. The gentleman from Kentucky asks unanimous consent to address the House for five minutes on a personal matter. Is there objection? [After a pause.] The Chair hears none.

Mr. JOHNSON of Kentucky. Mr. Speaker, in the New York World of last Sunday—day before yesterday—under big headlines, reading as follows: "To shoot William J. Bryan; secret of Champ Clark's trip to Baltimore convention," there appeared an article quite injurious to me because of my alleged participation in it.

Under these headlines, and further along in the article, there is this language:

Mr. and Mrs. Clark arrived in Baltimore at 10 minutes after 11. They went directly to the headquarters of the Clark managers to learn the situation in the convention. There they were first joined by their son, Bennett, and within a few minutes the Speaker summoned to his side two friends whom he knew held his view of life. These were Representative BEN JOHNSON, of Kentucky, and Capt. Jerry South, of Arkansas.

These two fast friends were reared in the same social atmosphere of an earlier day in Kentucky, in which Mr. Clark was reared. Captain South came from "fighting stock" in his native town of Frankfort, the capital of Kentucky. Representative JOHNSON had come from equally famous "fighting stock."

The article is too long, Mr. Speaker, for me to undertake to read; entirely too long to ask to put it in the RECORD. In refutation of it I have only a few words to say, and that is that I did not know that Champ Clark was going to Baltimore. I did not know he was there. I did not see him while he was there, and I never knew that he had been there until I read of his presence there afterwards in the newspapers.

Now, this whole article, in its lying attempt to connect me with a scheme to assassinate Mr. Bryan or anybody else, is as false as hell. I can scarcely feel satisfied with anything that might be considered by anybody as a mere perfunctory denial. I am a God-fearing man, and I stand here in this presence, with uplifted hand, and call on God to witness the truth of what I say, when I say that in so far as my connection with this alleged plot is concerned, it is an infamous lie.

Champ Clark was a noble spirit. He had as much physical courage as any man that ever lived. It is a calumny upon his memory for any man to charge him with having ever called upon me or Jerry South or anybody else on this earth to go with him to assassinate anybody.

As for myself, it is my purpose to employ counsel, and if I am advised that this article is libelous, and I regard it as such, to bring suit against the paper. I sincerely trust that Champ Clark's son, Bennett, will come from his retirement in St. Louis and undertake to punish the people who have so maliciously lied about his distinguished father. [Applause.]

JAPANESE AND AMERICAN IMMIGRATION LAWS.

Mr. LINEBERGER. Mr. Speaker, I ask unanimous consent of the House to extend my remarks by having printed in the CONGRESSIONAL RECORD a statement from the California Department of the American Legion, the American Federation of Labor, the Grange, and the Native Sons of the Golden West, in reply to Japan's Foreign Minister, on the subject of Japanese immigration and American immigration laws.

I ask this permission because the article referred to is very pertinent to certain clauses in the pending immigration bill.

The SPEAKER. The gentleman from California asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection? [After a pause.] The Chair hears none.

Mr. LINEBERGER. Mr. Speaker, under granted leave to extend my remarks I wish to insert a statement from California Department of the American Legion, American Federation of Labor, the Grange, and the Native Sons of the Golden West in reply to Japan's Foreign Minister on the subject of